

AN OPPORTUNITY TO REPOSITION A 147-ROOM INDEPENDENT HOTEL
LOCATED IN BOSTON'S HISTORIC CHARLESTOWN NEIGHBORHOOD



Constitution Inn

Boston, Massachusetts



EXECUTIVE SUMMARY

THE OFFERING

Jones Lang LaSalle Americas, Inc. (“JLL”) is pleased to offer, on an exclusive basis, the opportunity to acquire the leasehold interest in the 147-room Constitution Inn (the “Hotel” or “Property”), an independent hotel located in a qualified opportunity zone in Boston’s Charlestown neighborhood.

The Constitution Inn presents investors with a blank slate repositioning opportunity. A new owner will have complete flexibility to renovate and reposition the Property as either a branded or independent hotel among other potential uses. The Property benefits from an ideal location in the thriving Boston market, proximate to leisure, corporate and medical demand generators. The Charlestown Navy Yard, USS Constitution, Boston Freedom Trail, Spaulding Rehabilitation Hospital and MGH Institute of Health Professions are all within walking distance of the Property.

The Property is currently owned by the YMCA of Greater Boston and also features a 30,000 SF fitness center. The YMCA of Greater Boston intends to lease the existing fitness center from the new owner for 3 to 4 years as they seek opportunities to build a new location in Charlestown.

PROPERTY SUMMARY

ADDRESS	150 3rd Avenue, Boston, MA 02129
YEAR OPEN	1992
ROOMS	147 Rooms & Suites
STORIES	6 Above Grade Plus 2 Basements Levels
BUILDING SIZE	97,500 Total SF (67,500 SF Hotel, 30,000 SF Fitness Center)
SITE AREA	14,762 SF
MEETING SPACE	3,000 SF (4 Meeting Rooms)
FITNESS CENTER	30,000 SF YMCA fitness center including a gymnasium, an indoor swimming pool, a sauna, a basketball court and fitness studios
OWNERSHIP STRUCTURE	Leasehold (65 year initial term plus 32 year and 33 year extension options)
BRAND	Independent
MANAGEMENT	Unencumbered



PROPERTY OVERVIEW

Built in 1992, the six-story Constitution Inn is a 97,500 SF, 147 room independent hotel. The Property sits on a 0.33-acre parcel of land leased to current ownership under a long term ground lease with the Boston Redevelopment Authority. The Constitution Inn features a 30,000 square foot fitness center operated by the YMCA of Greater Boston. The fitness center includes a full-size gymnasium with high-end fitness equipment, fitness classes, a basketball court, and a four-lane swimming pool.

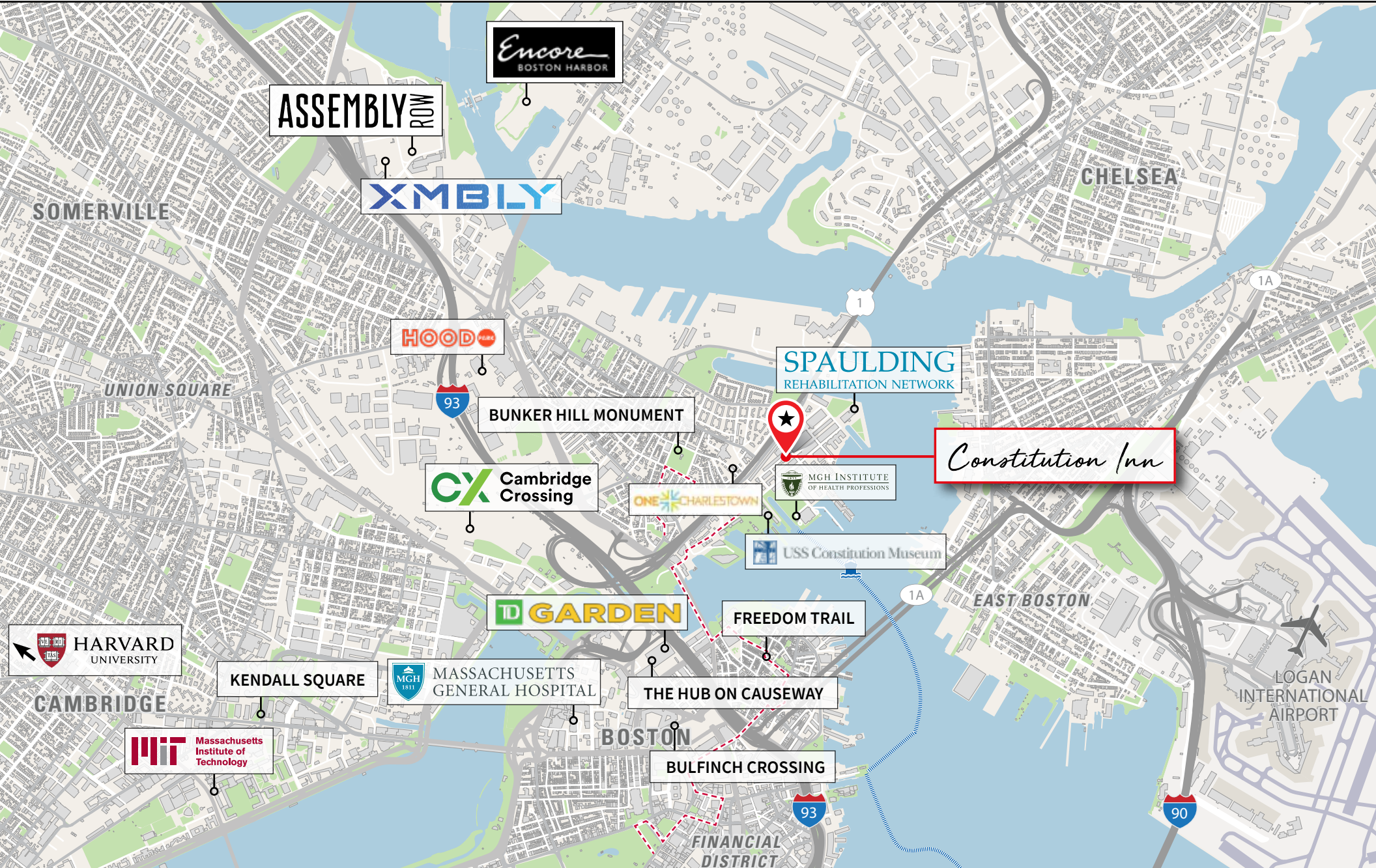
THE HOTEL



THE FITNESS CENTER



AREA MAP



KEY DEMAND DRIVERS

The Constitution Inn is strategically surrounded by diverse demand drivers in the Boston/Charlestown market. The Hotel currently benefits from extended-stay demand from healthcare centers and higher-education institutions, leisure demand from historic tourist attractions and sporting/event venues, and corporate demand from local companies and regional headquarters in the technology, pharmaceuticals, and financial services sectors.

HISTORIC ATTRACTIONS

Charlestown is rich in history, home to the USS Constitution and Museum, the world's oldest commissioned Navy ship still afloat; the Charlestown Navy Yard, one of the oldest shipbuilding facilities in the United States; the Bunker Hill Monument, site of the first major battle in the American Revolution, and the northern terminus of the Freedom Trail, which connects these national heritage sites with 14 others throughout the city via a pleasant 2.5 mile walking tour. The Freedom Trail attracts more than 4 million visitors annually.



PREMIER MEDICAL CLUSTER

Charlestown is a premier medical cluster, comprised of prestigious institutions including Spaulding Rehabilitation hospital, a rehabilitation hospital and the official teaching hospital for Harvard Medical School's Department of Physical Medicine and Rehabilitation; MGH Institute of Health Professions, a 1,560 student graduate university of health sciences founded by Massachusetts General Hospital; and the Martinos Center, a major hub of biomedical imaging technology development and translational research. The cluster benefits from exceptional synergies with the nearby MGH medical campus, one of the country's most prominent medical-academic centers.

THRIVING EAST CAMBRIDGE

Home to MIT, Harvard and the Whitehead Institute, Cambridge is a world-renowned center for research, education and innovation. East Cambridge/Kendall Square in particular is home to a flourishing technology, biotech and life sciences sector highlighted by Alexion Pharmaceuticals, Amazon, Amgen, Biogen, Facebook, Google, Microsoft, Akamai, Oracle, the Broad Institute and others. The continuing development of the Cambridge Crossing subdistrict (1 mile from the Property) is creating a commercial bridge between East Cambridge and Charlestown and will seamlessly connect the two neighborhoods as the development progresses.

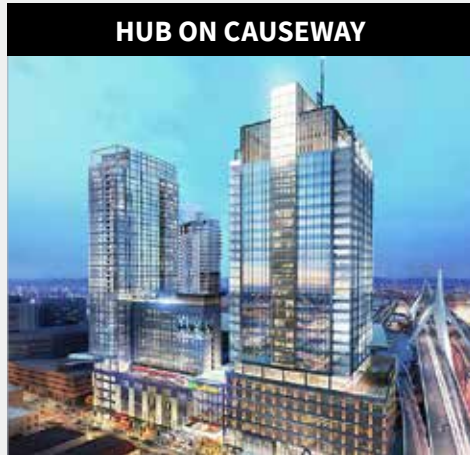


DOWNTOWN BOSTON

Within 1.2 miles of the Constitution Inn, the Financial District has the largest concentration of employers in the Greater Boston area with 42.3 million-square feet of office space. Notable headquarters in the area include Fidelity Investments, State Street Corporation, Federal Reserve Bank of Boston, Liberty Mutual, and Iron Mountain. Additionally, TD Garden, home to the Boston Celtics and Boston Bruins is within walking distance of the Property (less than 1 mile). The arena hosts 200 annual events catering to more than 3.5 million annual visitors.

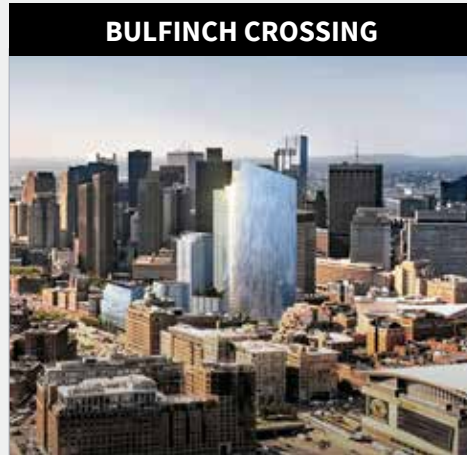
BOSTON: UNPRECEDENTED GROWTH & DEVELOPMENT

LARGE SCALE MIXED-USE DEVELOPMENTS



HUB ON CAUSEWAY

1.9+ Million Square Foot
Mixed-Use Development



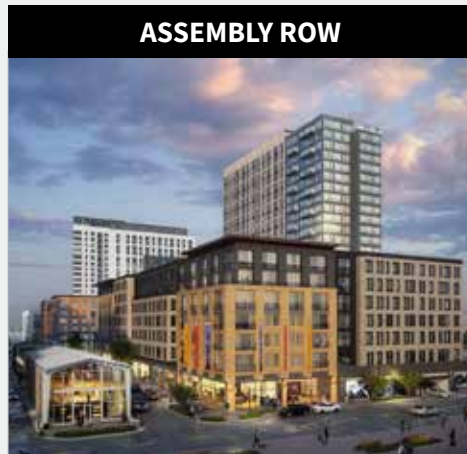
BULFINCH CROSSING

2.3+ Million Square Foot
Mixed-Use Development



CAMBRIDGE CROSSING

45 Acre, 4.9M+ Square Foot
Mixed-Use Development



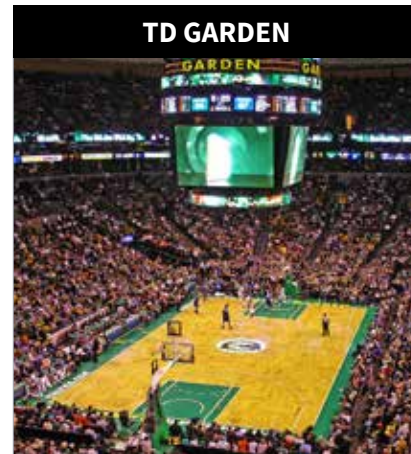
ASSEMBLY ROW

6 Acre, 3.7M+ Square Foot
Mixed-Use Development

AN INFLUX OF CORPORATE DEMAND

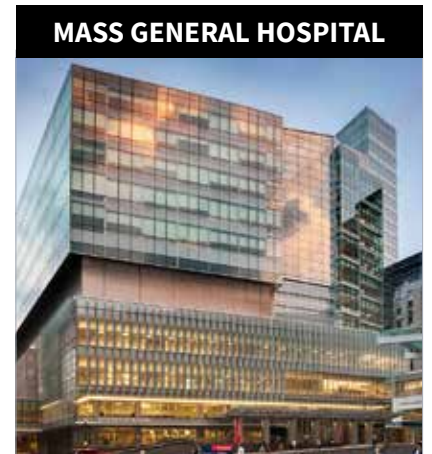


MICRO DEMAND DRIVERS



TD GARDEN

+19,500 Person Arena
Home to the Boston Bruins & Celtics



MASS GENERAL HOSPITAL

999 Beds, +1,000 Employees
#2 Best Hospital in the U.S.

AERIAL OVERVIEW



EAST BOSTON

SPAULDING
REHABILITATION NETWORK

HARBORVIEW
AT THE NAVY YARD

WATER TAXI

MGH/HST Athinoula A. Martinos
Center for Biomedical Imaging

Constitution Inn

MGH INSTITUTE
OF HEALTH PROFESSIONS

FLAGSHIP WHARF

BUNKER HILL MONUMENT



U.S.S. CONSTITUTION

MBTA INNER HARBOR FERRY

TWO CONSTITUTION PLAZA

ONE CONSTITUTION WHARF

100 CITY SQUARE

Residence INN
BY MARRIOTT
BOSTON HARBOR ON
TUDOR WHARF



NORTH END

INVESTMENT HIGHLIGHTS

A BLANK SLATE REDEVELOPMENT OPPORTUNITY

The Constitution Inn represents a true value-add investment opportunity with product and brand optionality. A new owner will benefit from complete flexibility in terms of product type, operating strategy, and future repositioning. Several hotel chains have potentially available brands for the Boston/Charlestown market including Marriott, Hilton, IHG, Hyatt and Choice amongst others. A full renovation of the Hotel would allow for significant value-enhancement.

ATTRACTIVE BASIS RELATIVE TO REPLACEMENT COSTS & RECENT SALES

The Property is being offered at a significant discount to replacement costs and at an attractive price per key and price per square foot relative to a number of recent sales. The lack of developable land, a difficult and lengthy permitting process, and high construction costs make Boston a challenging development landscape. The Constitution Inn offers investors the opportunity to acquire an independent hotel, inject capital into a comprehensive renovation, and fully reposition the Property, achieving significant upside in value.

QUALIFIED OPPORTUNITY ZONE

The Constitution Inn is located in a qualified Opportunity Zone designated by the US Department of Treasury, offering tax benefits to investors. A new owner would have the opportunity to roll capital gain tax liabilities into an investment in the Property on a tax-deferred basis.



LEONARD ZAKIM BRIDGE & DOWNTOWN BOSTON



MASSACHUSETTS GENERAL HOSPITAL CAMPUS

INVESTMENT HIGHLIGHTS



CAMBRIDGE CROSSING



BUNKER HILL MONUMENT

BOSTON: A THRIVING U.S. LODGING MARKET

Boston is one of the top 5 performing lodging markets in the US, trailing only New York, San Francisco, Oahu, and Miami in RevPAR. The 12th largest global economy is anchored by employers in the biotechnology, life-science, robotics, legal and financial services industries, which generate significant demand for area hotels. Additionally, the Boston lodging market benefits from strong tourism demand with more than 19 million annual visitors, healthcare centers, Fortune 500 Companies, and some of the leading higher-education institutions in the nation.

STRONG PERFORMING HOTEL COMPETITIVE SET

The local market benefits from strong performance metrics. A competitive set comprised of branded select-service hotels including the Residence Inn Boston Harbor On Tudor Wharf, Fairfield Inn & Suites Cambridge, Hotel Indigo Boston Garden, Holiday Inn Express & Suites Cambridge and Hampton Inn Cambridge achieved an occupancy of 83%, an average daily rate of \$226.80, and a RevPAR of \$188.75 in the trailing twelve months as of November 2019. A fully repositioned, franchise-affiliated or independent select-service hotel would be expected to achieve its fair share of this competitive set.

FAVORABLE GROUND LEASE

The Constitution Inn is subject to a long term ground lease with the Boston Redevelopment Authority, the initial 65 term expires in 2056 and is subject to two extension terms of 32 years and 33 years respectively. The terms of the ground lease are highly favorable for a new owner with current annual payments of approximately \$85,300 (\$7,108 per month), increasing annually by CPI.



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