

AC Hotel by Marriott Boston Downtown

Location: Boston, MA
Acquisition Price: \$89.0M (\$434K per key)
Year Built: 2018
Rooms: 205 Rooms & Suites
Amenities: AC Lounge bar, AC Kitchen, Parking, 2.5K SF Meeting Space



Bullseye Deal

- Rooms-oriented
- High margins
- High growth market
- Heart of demand location
- Premium brand
- High RevPAR

Investment Thesis

- High quality hotel
- Recently constructed asset
- A+ core location in high growth submarket
- Off-market transaction
- Lifestyle brand
- Accretive to RLJ:
 - ~\$200 stabilized RevPAR
 - ~40% stabilized margins
 - ~7.5% – 8.0% NOI yield



Boston Market Highlights

- **Growing and diversified economy**
 - Top life-sciences market in the country (CBRE, 2020)
- **Home to numerous Fortune 500 companies across diverse industries**
 - General Electric, Liberty Mutual, State Street, Wayfair, Biogen, Raytheon
- **Large college student population across 29 institutions in Boston metro area**
- **Boston Logan International Airport one of the nation’s busiest airports**
 - Terminal expansion currently underway | 42.5M annual passengers (2019)
- **Popular leisure, group, and sporting event destination**
- **Boston CBD hotel fundamentals outperform**
 - Downtown Submarket RevPAR +50% higher than Boston market (CBRE, 2019)

Submarket / Hotel Highlights

- **Part of the new, high-end *Ink Block* mixed-use development**
 - Anchored by a flagship Whole Foods Market and ~500 luxury residential units
- **+4M SF of office space and + 1.7M SF of lab space under construction in close proximity of Hotel**
- **Property offers immediate rail, highway, and airport access**
- **Marriott’s AC Hotel brand well-suited for urban / metro areas**