hunden partners

ZIONSVILLE

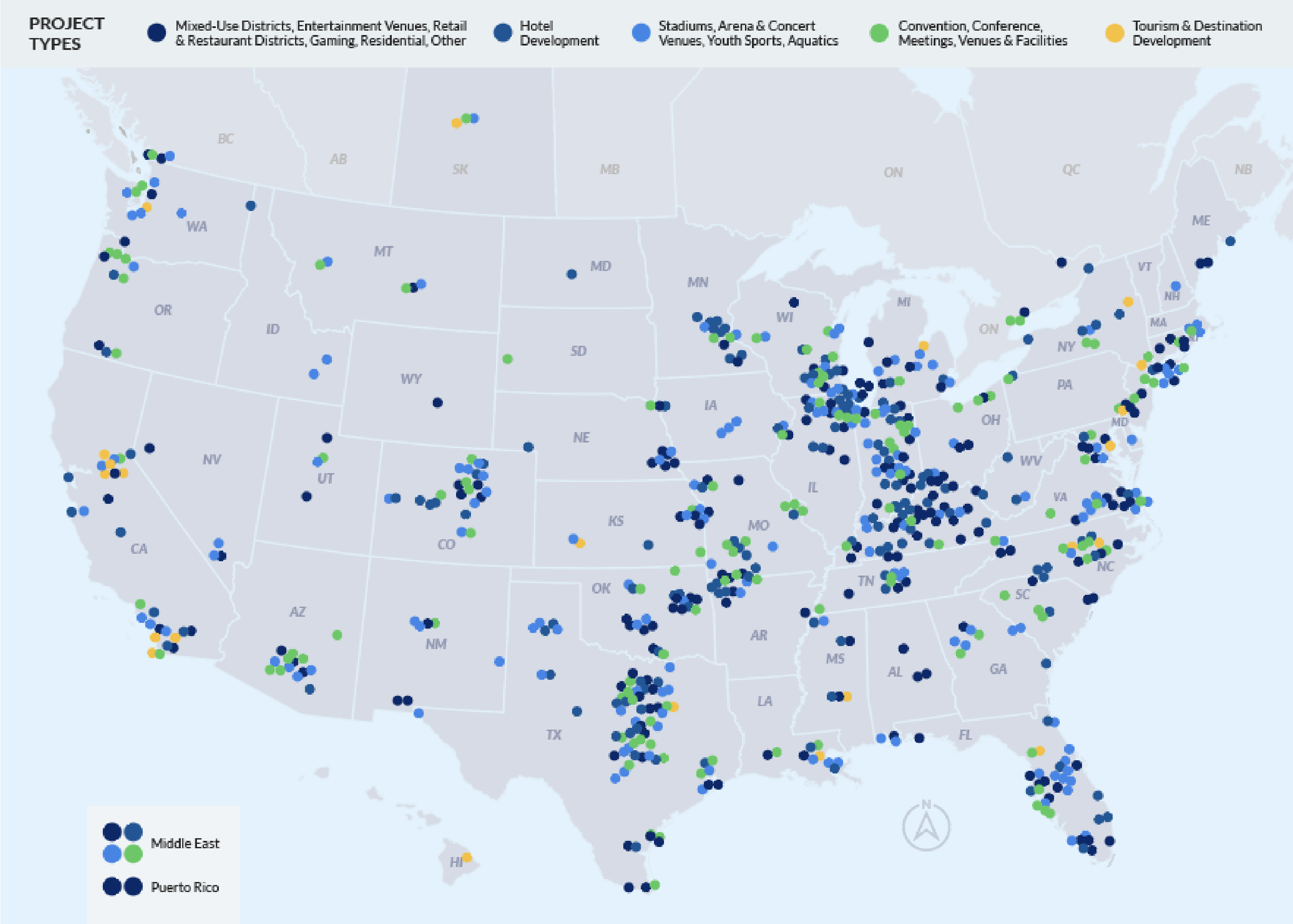
Zionsville, IN

Hotel Feasibility Study

DRAFT

October 2025

The Industry's Advisor of Record



>1.2K
strategic plans & studies

$25B
planned or built assets

100+ strategic placemaking, place-keeping and implementation plans

650+ conference, convention, event center & hotel studies, plans & strategies

175+ destination & entertainment district studies

200+ youth sports, stadium & arena studies

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Situational Overview & Key Questions

Situational Overview

Hunden Partners was engaged by the Town of Zionsville to complete a market demand and financial feasibility analysis to determine the gaps and opportunities in the market for the development of new hotel products.

The study examines the current and future supply and demand for hotels and meeting facilities in the local and regional market, evaluates economic and demographic trends, and benchmarks comparable facilities within the relevant competitive set.

Through stakeholder interviews, competitive analysis, and case study review, Hunden developed recommendations for three different scenarios for financial modeling including the number of guest rooms, meeting spaces, and supporting amenities.

Where you are now

Does the current supply of hotels and meeting facilities in surrounding markets meet the needs of Zionsville?

What types of meetings, conferences, and overnight stays are leaving the market due to lack of appropriate facilities?

How you stack up

How does Zionsville compare with peer suburban markets in terms of hotel inventory, quality, and meeting space?

Does Zionsville have the leisure, corporate, and group demand drivers to support the development of the hotel and various function spaces?

The opportunities

What size, type, and mix of guest rooms and meeting space would the Zionsville market support?

What amenities are needed to support the hotel development?

What net new activity would the hotel generate?

How we get there

How would the Project perform financially under different room count and function space scenarios?

How does the site effect economic impact projections and financial performance?

What funding mechanisms can leverage the Project’s financing?

Stakeholder Feedback & Keys Findings

Hunden conducted interviews with regionally competitive hotels as well as market experts to understand performance trends, market segmentation, and demand challenges. Hunden also engaged Discover Boone County, local business leaders, the Indianapolis Executive Airport, and employees of the Town of Zionsville to assess the needs for additional hospitality and meetings assets within the local and regional market.

These conversations provided insight into unmet demand, competitive pressures, and types of events and travelers that a new boutique hotel in Zionsville could capture.

Key Findings:

1 Upscale/Boutique Hotel Needs

Zionsville is experiencing steady population and economic growth, creating demand for transient, corporate, and group room nights. Despite this growth and the town's vibrant downtown district, there is currently no hotel property within Zionsville to accommodate rising visitor demand, leading to lost economic impact. This gap presents a clear opportunity to introduce a thoughtfully positioned hotel that can serve the market's growing demand.

2 Appropriate Function Space

Interviews with Discover Boone County and numerous corporations within Zionsville revealed the need for ballroom and meeting spaces for events up to 300 in attendance. The market currently lacks quality meeting space for large group events and smaller corporate meetings, and demand is expected to continue to increase, parallel with population and economic growth within the market.

3 Unique Design, Amenities & Brand Affiliation

Boutique hotels are often unique to their respective destinations, incorporating unique cultural designs and guest amenities within their programming. Amenities such as full-service restaurants with locally influenced concepts, craft cocktail bars, spas, and rooftop/outdoor entertainment areas help create revenue streams within the Project and generate visitation from visitors and residents alike. Affiliation with a major hotel brand family is recommended for shared marketing opportunities and group business lead generation.

Recommendations: Financial Modeling Scenarios

The Opportunities

Scenario Framing: The Base, Moderate, and Expanded cases outline different sizing options for a boutique hotel, including variations in room and function space. All scenarios are assumed to include a full-service restaurant.

These scenarios establish the framework for financial analysis, which will identify the feasibility gap and illustrate how different sizing impacts overall performance.

	Base Case Scenario 1	Moderate Case Scenario 2	Expanded Case Scenario 3
Room Count	80	100	120
Total Function Space	7,000 SF	8,500 SF	10,000 SF
Ballroom Space	4,000 SF (2 Divisions) (250 maximum capacity)	5,000 SF (2 Divisions) (333 maximum capacity)	6,000 SF (2 Divisions) (400 maximum capacity)
Meeting Space	3,000 SF (4 Divisions)	3,500 SF (4 Divisions)	4,000 SF (4 Divisions)

SWOT Analysis

Where You Are Now

STRENGTHS

- Rapid population and economic growth fueling local transient and corporate hospitality demand
- Limited hospitality supply within vibrant downtown core, supported by walkable amenities
- Alignment with economic development goals and town master planning efforts

WEAKNESSES

- Unproven upscale local hospitality market
- Site control
- Potential need for costly structured parking

OPPORTUNITIES

- Upscale hospitality offering, to drive additional downtown visitation and economic impact to existing businesses
- Event and meeting destination within Zionsville and Boone County for impactful corporate events, weddings, and other community group events

THREATS

- Zoning and community approvals for height limits
- Increasing supply of boutique and upscale properties in northern Indianapolis
- Competitive northern Indianapolis meetings market
- Increasing construction costs for boutique hotel properties

Economic, Demographic & Tourism Summary

Residential & Corporate Growth

Zionsville's 38-percent population rise from 2010 to 2025, high incomes, and strong homeownership reflect robust economic essentials. Residential growth is projected to continue by an additional 20 percent through 2030, buoyed by a growing corporate presence and the LEAP Innovation District, in which Eli Lilly has made significant investments.

Downtown Location & Accessibility

Downtown Zionsville is a major activity node within the town, with a high concentration of walkable, locally-owned restaurants and shops. Downtown Zionsville is also highly accessible from the highly-trafficked I-65 and I-465 interstates but provides limited hospitality offerings.

Increasing Leisure, Corporate & Group Travel Demand

Residential and economic growth, accompanied by growing demands from leisure and group travelers have increased the need for hospitality and meetings assets. Events searching for accommodations within Boone County are being displaced to surrounding counties with more robust hospitality and meeting supply assets, leading to lost economic impact within the town and county.

Local market area characteristics such as population, demographics, a diversified economy, access, and attractions influence the potential demand for developments as well as the overall attractiveness of an area to a potential visitor or group.

Population Growth Trends

Zionsville, Indiana, has experienced remarkable population growth, increasing by nearly 40 percent between 2010 and 2025, greatly exceeding state and national averages. Over the same period, Indiana's population increased by 6.9 percent, and the Indianapolis-Carmel MSA by 17.2 percent. Zionsville's population is projected to reach nearly 38,000 residents by 2030, which reinforces its position as one of the fastest growing communities in the area.

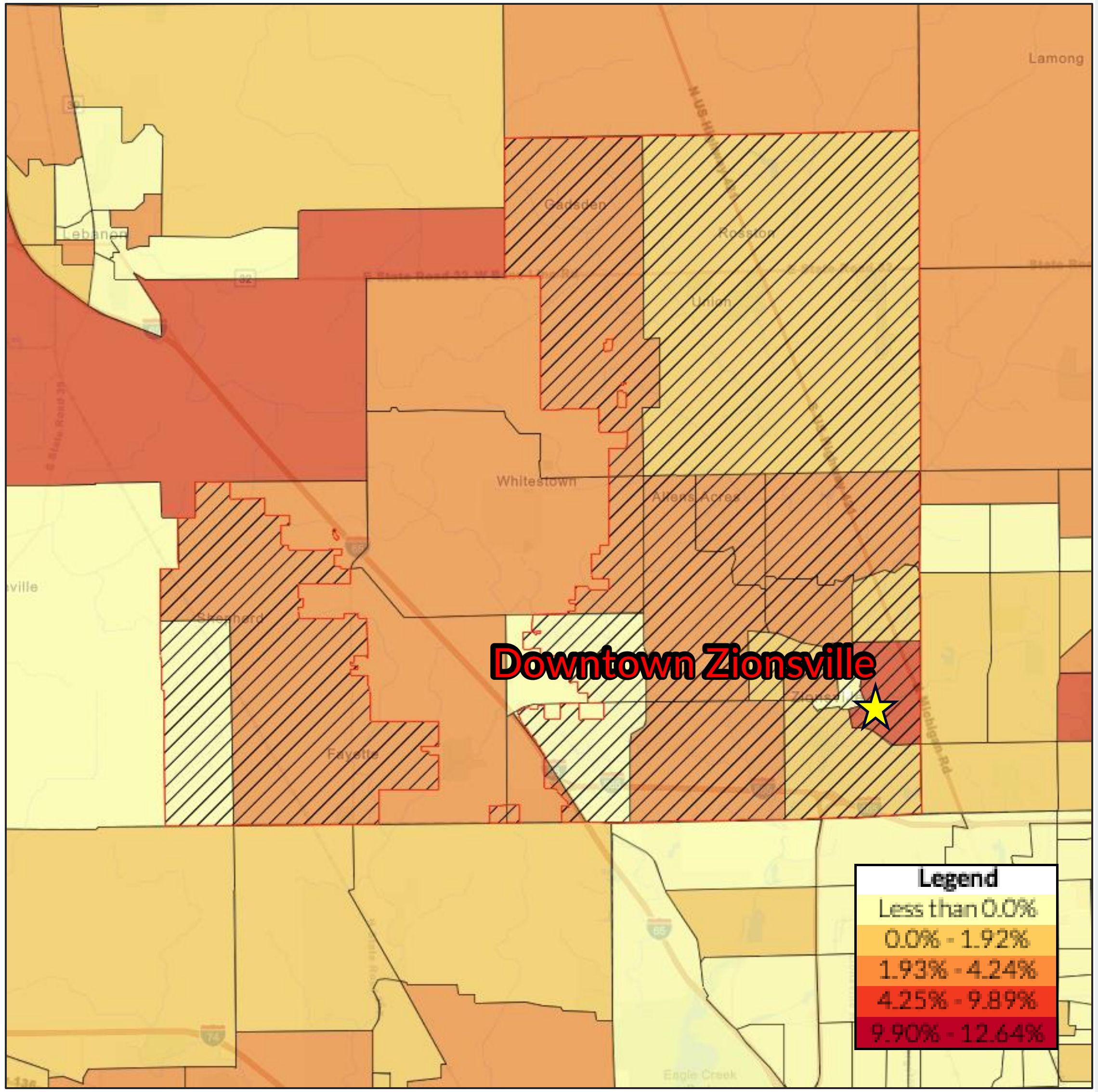
This population growth is driven by residential development, strong school districts, and increasing corporate activity including headquarters relocations, along with other factors. As the population continues to climb, demand for hospitality, conference, and meeting facilities will only expand, which will allow a hotel development to be well positioned to meet these evolving needs.

Population and Growth Rates

	2010	2020	2025	2030 Projected	Percent Change 2010 - 2025
United States	308,745,538	331,449,281	339,887,819	347,149,422	10.1%
Indiana	6,483,802	6,785,528	6,930,476	7,029,724	6.9%
Indianapolis-Carmel MSA	1,865,850	2,089,673	2,186,750	2,267,061	17.2%
Boone County, IN	56,640	70,812	80,325	87,955	41.8%
Zionsville, IN	**24,327**	**30,588**	**33,755**	**37,693**	**38.8%**

Source: U.S. Census Bureau

2025 – 2030 Population Growth Rate

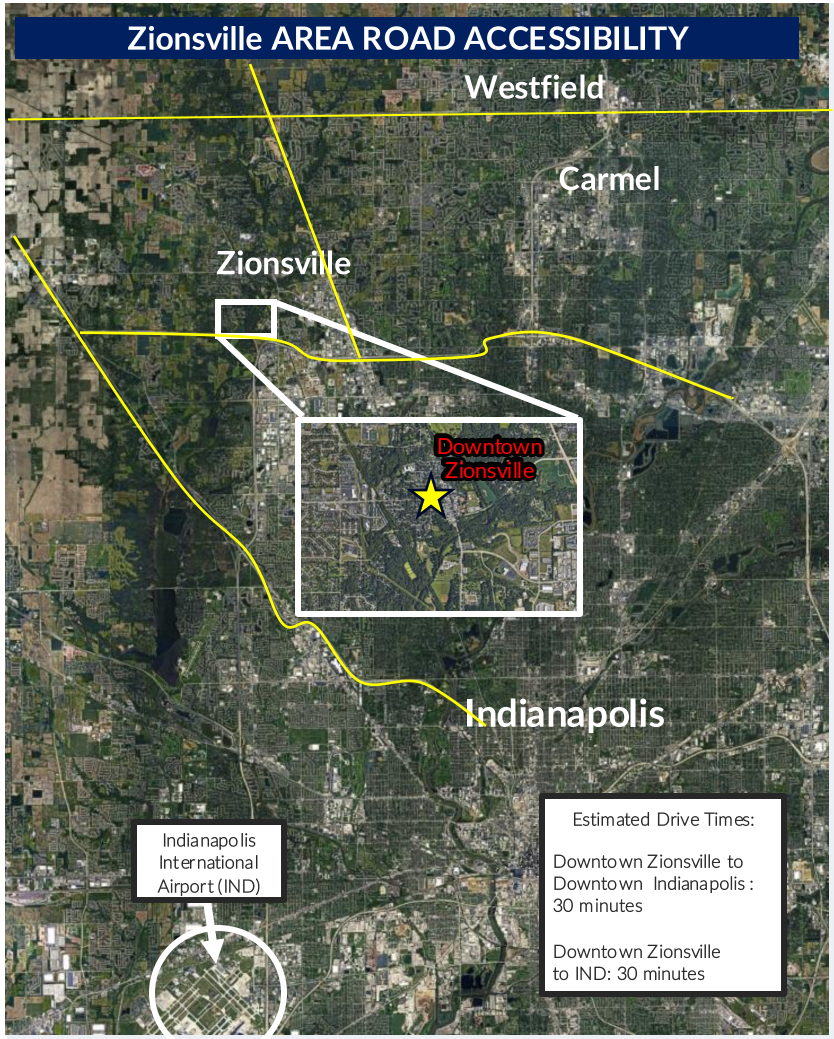


Road & Airport Accessibility

Zionsville, Indiana, is strategically positioned near major transportation corridors, including I-65, I-465, U.S. 32, and U.S. 421, which provide convenient regional access. Located northwest of Indianapolis, the community also offers strong connectivity to downtown as well as nearby suburbs such as Carmel and Westfield. This accessibility enhances Zionsville's appeal as both a residential community and a destination for future hospitality development.

Vehicle Traffic Volume – Average Cars Per Day

Roadway	Cars Per Day
I-65	42,600
I-465	61,100
U.S. 32	7,300
U.S. 421	30,300



Indianapolis Executive Airport

The Indianapolis Executive Airport is Indiana's second-busiest business aviation airport.

- Approximately 10,000 operations per year
- Estimated 20% of visitors travel to a hotel

Source: Indianapolis Executive Airport

Vehicle Traffic Volume

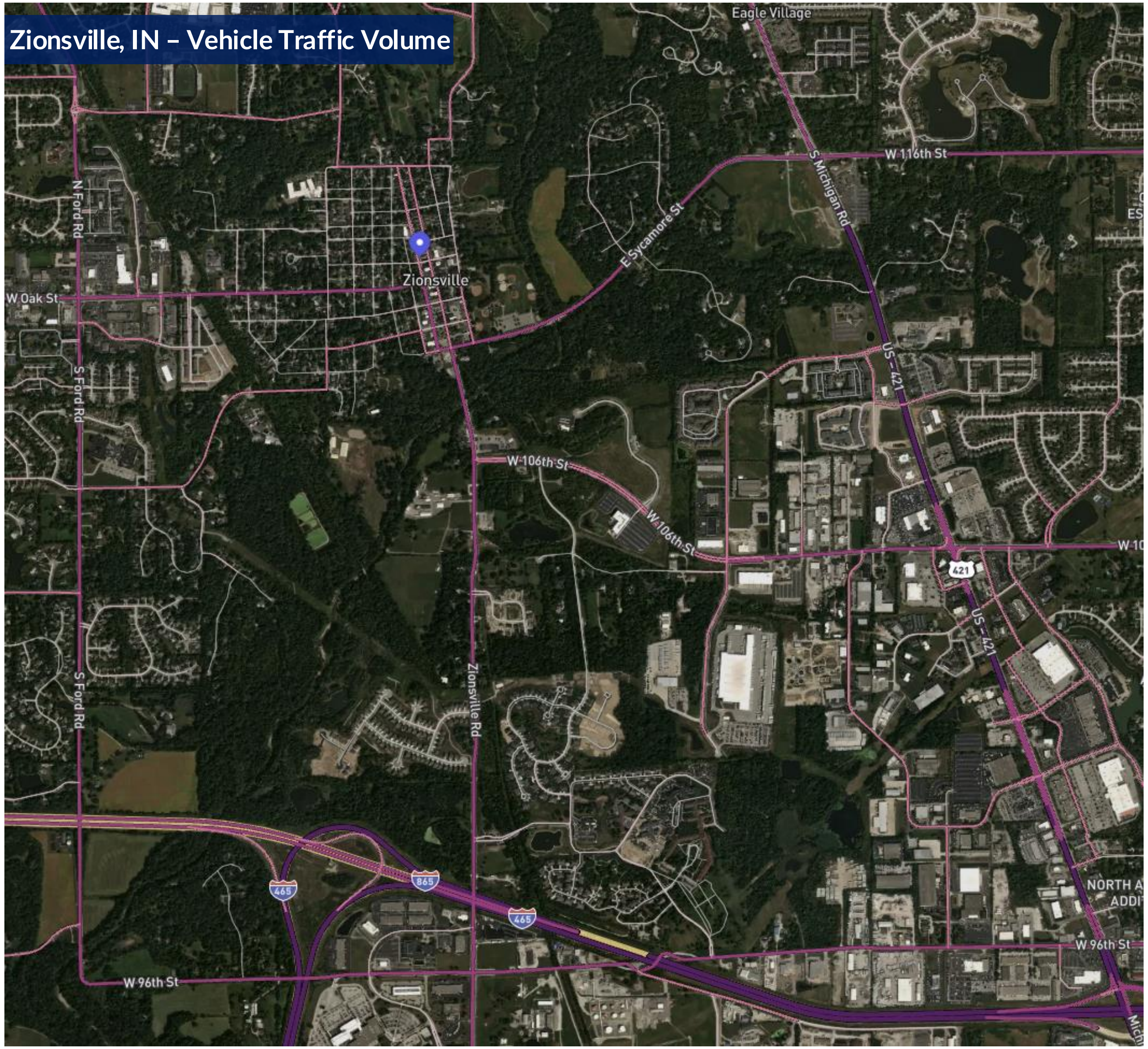
Downtown Zionsville's surrounding roadways support steady traffic, including 13,100 cars per day on W. Oak Street, 11,200 on Zionsville Road, 11,100 on Sycamore Street, and 5,400 on 106th Street. Downtown Zionsville is connected to I-65 via W. Oak Street to the west and I-465 via Zionsville Road to the south.

A main thoroughfare within the Indianapolis-Carmel-Anderson MSA, I-465 supports roughly 61,100 cars per day near Zionsville Road.

Vehicle Traffic Volume – Average Cars Per Day

Roadway	Cars Per Day
I-465	61,100
U.S. 421	30,300
W Oak Street	13,100
Zionsville Road (South Main Street)	11,200
Sycamore Street	11,100
106th Street	5,400

Source: Placer.ai



Local Hotel Market Analysis & Meeting Space Supply

Local Competitive Hotel Supply

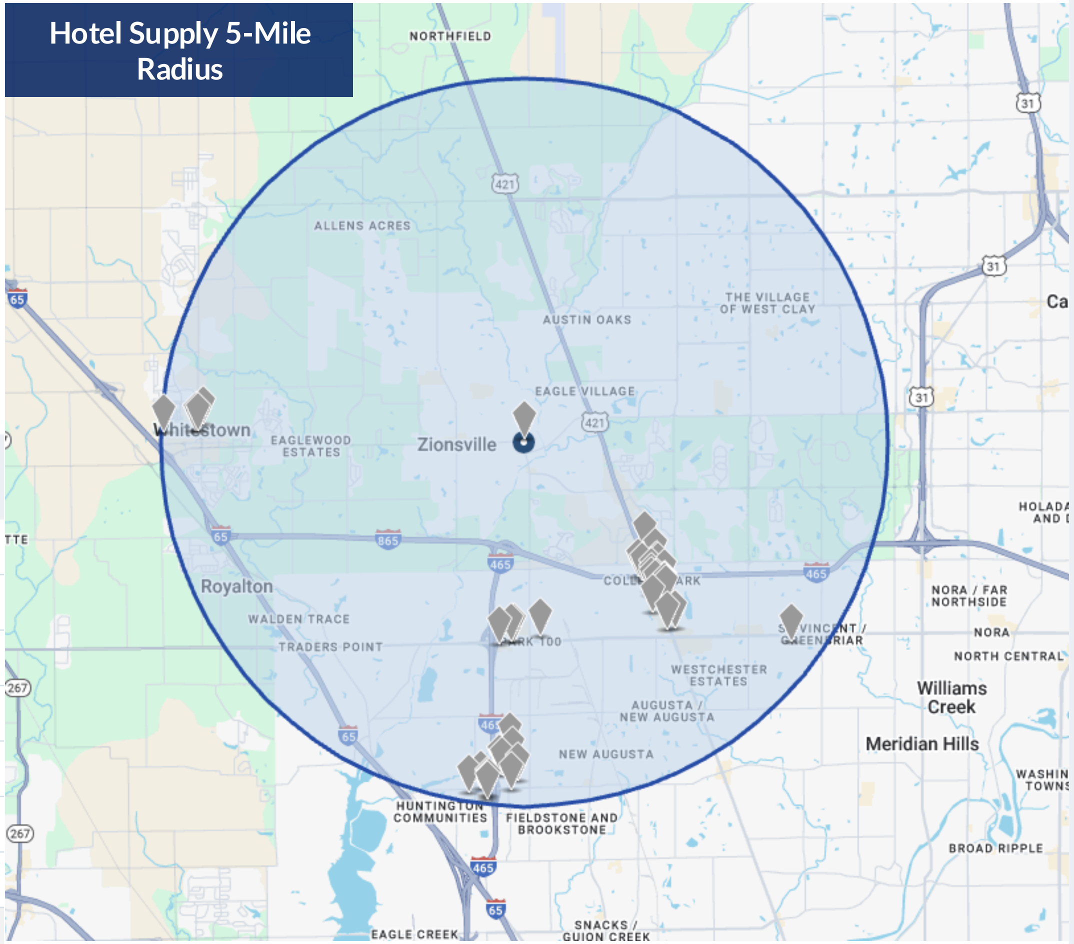
The adjacent map and the table below outline the local hotel supply within a five-mile radius of Downtown Zionsville. The local market includes 39 hotels for a combined 3,809 rooms. There are no Luxury hotels and only one hotel in the Upper Upscale class. Most of the local supply falls within the Upper Midscale category. Two midscale Tru by Hilton hotels are planned within this radius.

Zionsville's surrounding area has experienced steady population growth and higher-than-average household incomes. These demographic trends suggest an underserved lodging market at the higher end, given the absence of Upper Upscale or Luxury accommodations within the local supply.

Local Hotel Supply (5-Mile Radius)

Class	Number of Hotels	Hotels Percent of Total	Number of Rooms	Rooms Percent of Total
Luxury	0	0.0%	0	0.0%
Upper Upscale	1	2.6%	221	5.8%
Upscale	5	12.8%	472	12.4%
Upper Midscale	14	35.9%	1,267	33.3%
Midscale	8	20.5%	761	20.0%
Economy	6	15.4%	634	16.6%
Independent	5	12.8%	454	11.9%
Total	39	100%	3,809	100%

Hotel Supply 5-Mile Radius



Source: CoStar

Local Competitive Hotel Supply Performance

Hunden analyzed the performance of nine competitive hotels using CoStar and STR data. Within the competitive set, occupancy has remained above 70 percent since 2020, demonstrating a strong recovery since Covid-19. While overall occupancy declined slightly in 2023 compared to the prior year, the market still achieved a 72-percent occupancy level, which represents a notably strong performance across the set of hotels. With the introduction of additional room supply in 2024, the market has readily absorbed the new inventory, indicating the depth of demand in the area. The average daily rate (ADR) has increased consistently, with a compound annual growth rate of nearly four percent since 2019. Revenue per available room (RevPAR) increased to $98 in 2024 and has improved consistently since the pandemic, which was driven by the combination of high occupancy and ADR. The historical performance of the competitive set of hotels indicates that the market can likely support additional hotel rooms.

Local Competitive Hotel Supply Performance

Year	Annual Avg. Available Rooms	Available Room Nights	Room Nights Sold	Occupancy Rate	Average Daily Rate	RevPAR
2019	706	257,558	189,825	74%	$115	$84
2020	800	292,068	145,619	50%	$87	$43
2021	817	298,237	207,855	70%	$105	$73
2022	915	333,975	246,340	74%	$122	$90
2023	915	333,975	239,908	72%	$131	$94
2024	**999**	**364,635**	**261,086**	**72%**	**$137**	**$98**

Source: STR

Local Set Heat Charts

The adjacent tables detail the performance of the competitive set by month and day of week from August 2024 to July 2025, offering insight into seasonality and daily performance.

ADR was strongest during the weekend periods, with rates peaking in summer months. Occupancy followed a similar pattern, with the highest levels occurring Fridays and Saturdays. During the summer months, the competitive set experienced exceptionally high occupancy rates, reaching approximately 87 percent in July 2025.

This pattern highlights the dominance of transient travel, which typically drives occupancy from Fridays to Saturdays. The pattern also suggests the market could support additional hotel development.

ADR by Day of Week and Month | Zionsville, IN
August 2024 through July 2025

Month	Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Avg
August-24	$121	$128	$132	$129	$133	$150	$153	**$136**
September-24	$113	$124	$130	$128	$122	$139	$146	**$129**
October-24	$114	$126	$136	$143	$139	$153	$148	**$139**
November-24	$129	$116	$122	$120	$120	$168	$174	**$140**
December-24	$99	$107	$112	$115	$113	$124	$129	**$115**
January-25	$106	$110	$116	$110	$105	$121	$124	**$114**
February-25	$109	$117	$119	$121	$117	$130	$127	**$121**
March-25	$108	$119	$127	$126	$123	$140	$145	**$128**
April-25	$105	$120	$124	$124	$125	$154	$154	**$131**
May-25	$141	$123	$132	$132	$126	$171	$186	**$148**
June-25	$110	$124	$135	$139	$141	$161	$162	**$139**
July-25	$123	$132	$140	$151	$157	$168	$159	**$148**
Average	**$115**	**$121**	**$128**	**$130**	**$129**	**$150**	**$153**	

Source: Smith Travel Research

Occupancy by Day of Week and Month | Zionsville, IN
August 2024 through July 2025

Month	Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Avg
August-24	62%	83%	88%	84%	76%	80%	83%	**79%**
September-24	51%	73%	85%	85%	71%	75%	83%	**74%**
October-24	49%	73%	85%	80%	72%	79%	83%	**75%**
November-24	53%	62%	71%	73%	70%	82%	83%	**71%**
December-24	42%	55%	61%	66%	61%	64%	68%	**59%**
January-25	47%	60%	69%	59%	50%	62%	62%	**58%**
February-25	45%	68%	77%	76%	62%	70%	70%	**67%**
March-25	49%	71%	83%	80%	74%	86%	84%	**75%**
April-25	47%	78%	84%	83%	73%	89%	86%	**78%**
May-25	62%	73%	84%	84%	78%	91%	95%	**82%**
June-25	57%	80%	93%	95%	90%	90%	91%	**84%**
July-25	72%	84%	87%	91%	91%	91%	89%	**87%**
Average	**53%**	**71%**	**81%**	**79%**	**73%**	**80%**	**82%**	

Source: Smith Travel Research

Case Study Analysis & Site Analysis

Case Study Hotels

Room, Function Space & Site Analysis

Hunden identified a comparable set of downtown boutique hotels in similar-sized markets to analyze number of rooms compared to total function space, site configurations, and number of floors per property.

Each hotel required roughly 0.5 acres, absent the property's parking, and contained a maximum of roughly 4,750 square feet of function space.

Property	Location	# of Keys	Total Function Space	Site Acreage	# of Floors
Hotel Vermont	Burlington, VT	125	2,400	0.49	6
Hotel Elkhart	Elkhart, IN	93	4,748	0.56	10
Adelphi	Saratoga Springs, NY	65	3,500	0.49	4
The Doyle Hotel	Charlottesville, VA	80	3,503	0.64	4

Recommendations & Next Steps

Recommendations: Financial Modeling Scenarios

The Opportunities

Scenario Framing: The Base, Moderate, and Expanded cases outline different sizing options for a boutique hotel, including variations in room and function space. All scenarios are assumed to include a full-service restaurant.

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