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Global Tourism & Destination Advisory

Stone Mountain Hotel Analysis

August 2026

Executive Summary

Project Overview & Recommendation

Project Overview

- **Proposed Boutique Hotel.** A proposed 50–75 room lifestyle/boutique hotel in Stone Mountain, adjacent to Stone Mountain Park
- **Client objective.** Establish whether market conditions support a differentiated, experience-led hotel before advancing to design or developer solicitation
- **Phase I scope.** Competitive supply assessment, 36-month CoStar/STR performance review across three hotel market sets, seasonality analysis and preliminary positioning
- **Data foundation**
  - 13 reporting hotels in the City of Stone Mountain
  - 16 upscale, upper upscale, and luxury hotel properties in the Atlanta East submarket
  - 10 boutique, lifestyle hotels within 70 miles of Stone Mountain

Market-Supported Recommendation

- **Advance to formal feasibility.** The concept is potentially feasible and worthy of full underwriting — not yet demonstrated feasible
- **Test 60–70 rooms first.** A 65-room scenario requires only 44 occupied rooms per night at 67% occupancy
- **Underwrite against the boutique set, not the local set.** At $185 ADR (Average Daily Rate), the proposed hotel prices 92% above the City of Stone Mountain hotel market but 27% below the Georgia boutique hotel market's benchmark
- **Do not compete with Evergreen.** The 336-room in-park resort holds group and conference demand the proposed boutique hotel cannot serve
- **Make F&B independently viable.** With only 65 keys, the restaurant and event operation must be supported by residents and outside patrons

Source: CoStar / STR, trailing 12 months ended July 2026

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Executive Summary

Hotel Market at a Glance

The three analyzed hotel geographies represent separate price tiers. The Georgia Boutique / Lifestyle Hotel Set achieves **2.6x the Average Daily Rate and 2.9x the Revenue per Available Room** of the City of Stone Mountain Hotel Market on only modestly higher occupancy.

City of Stone Mountain Hotels	
13 hotels | 1,236 rooms	
Occupancy	**55.8%**
ADR (Average Daily Rate)	**$96.19**
RevPAR (Revenue per Available Room)	**$53.63**

Atlanta East Hotel Submarket (Upscale, Upper Upscale, and Luxury Only)	
16 hotels | 1,572 rooms	
Occupancy	**58.6%**
ADR (Average Daily Rate)	**$145.07**
RevPAR (Revenue per Available Room)	**$84.98**

Georgia Boutique / Lifestyle Hotels	
10 hotels | 2,125 rooms	
Occupancy	**60.8%**
ADR (Average Daily Rate)	**$254.34**
RevPAR (Revenue per Available Room)	**$154.65**

Stone Mountain currently has **zero upscale-class hotels**. Outside the Evergreen Resort, 48% of the City's hotel inventory is within the economy hotel class. The proposed boutique hotel would not add to an existing tier, it would create a new category.

Source: CoStar / STR, trailing 12 months ended July 2026. The Boutique Georgia Hotel set is defined as Luxury and Upper Upscale independent and soft-branded assets within approximately 70 miles of Stone Mountain.

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Executive Summary

Key Takeaways & Recommended Next Steps

Key Takeaways

- **A hotel product gap exists.** The lodging within the City of Stone Mountain offers only economy and upper-midscale inventory or a 336-room resort. There are no upscale-class rooms and only eight boutique rooms in the market.
- **The local hotel market is softening, not growing.** The City of Stone Mountain hotel RevPAR has fallen 10.0% since 2023 to $53.63, on flat supply. Adding additional inventory of the same hotel class would not be supportable.
- **The experiential segment is moving the other way.** The Georgia boutique set absorbed a 25% supply increase in 2024 and still grew ADR 11.3% since 2023, reaching $254.34 ADR with occupancy recovering to 60.8%.
- **Absorption requirements are modest.** A 65-room hotel at 67% occupancy needs only 44 occupied rooms per night or a 5.7% share of the city's current hotel room night demand against a 5.0% supply share.
- **Pricing risk is concentrated in ADR, not occupancy.** The proposed boutique hotel's occupancy assumption implies only a 110–120 index; the ADR assumption implies a 192 index against the local City of Stone Mountain hotel market.

Next Steps

- Build a 10-year underwriting model for 50-, 65- and 75-room scenarios with departmental expenses, GOP and NOI
- Commission a custom STR competitive-set trend and pipeline report for investor outreach
- Test F&B and event revenue independently of hotel rooms demand
- Establish supportable development cost and any public participation requirement

Source: CoStar / STR data

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Location & Demand Generators

Stone Mountain Park and the Greater Atlanta Effect

Stone Mountain Park is simultaneously the proposed hotel's largest demand generator and its strongest competitive threat. The strategic question is not whether demand exists, but **whether the Village can convert park visitation into overnight stays** that currently leak to suburban Atlanta.

Annual Visitors

~4M

Georgia's most-visited attraction, operated under long-term lease by Herschend Family Entertainment

Acres of Park

3,200

Hiking, two 18-hole golf courses, lake recreation, camping, rail and skyride attractions

Distance to Downtown Atlanta

16 mi

Places the site inside one of the Southeast's largest and most diverse lodging markets

Demand Segments the proposed boutique hotel Can Capture

- Park leisure visitors and Atlanta weekend/getaway travelers
- Weddings, reunions and social events; visiting friends and relatives
- Small corporate meetings, retreats and east-metro corporate demand
- Sports and youth groups; travelers seeking Atlanta access outside the urban core

The Competitive Constraint

- **Atlanta Evergreen Lakeside Resort** operates 336 rooms, 37 meeting rooms and roughly 64,000 SF of event space inside the park.
- **The Inn at Stone Mountain Park (92 rooms)** has reported intermittently to STR since 2024, consistent with limited-schedule operation — currently the inventory is off the market.

Source: JLL analysis; Stone Mountain Memorial Association and Explore Georgia; CoStar / STR property-level reporting history

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Hotel Market Analysis

Three Geographic Hotel Competitive Sets

The City of Stone Mountain hotel set establishes **the floor and current local inventory**, the Atlanta East hotel submarket set establishes **the branded-upscale midpoint**, and the Boutique/lifestyle hotel set establishes **the ADR ceiling** for an experience-led boutique hotel product in suburban Georgia.

Competitive Set	Definition	# of Hotels	Hotel Rooms	T12 Occ	T12 ADR	T12 RevPAR	Notes
City of Stone Mountain	All reporting hotels within the city limits, all classes	13	1,236	55.8%	$96.19	$53.63	Demand floor and the rate the proposed boutique hotel must beat
Atlanta East Submarket	Luxury, Upper Upscale and Upscale class properties only	16	1,572	58.6%	$145.07	$84.98	Branded upscale midpoint; the realistic alternative for leaked demand
Georgia Boutique / Lifestyle	Luxury and Upper Upscale experiential assets within ~70 miles	10	2,125	60.8%	$254.34	$154.65	ADR ceiling for a differentiated, design-led product

Methodology Notes

- **Overlap in sets.** Atlanta Evergreen Lakeside Resort (336 rooms) and Stone Mountain Manor (8 rooms) appear in both the city and Atlanta East sets; the submarket set is not additive to the city set.
- **Reporting period.** Trailing 12 months ended July 2026, with 36 months of monthly detail used for seasonality. CoStar masks certain small properties within a composite; composite rooms are included in market supply but not itemised.

Source: CoStar / STR custom extracts prepared for JLL, August 2026

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City of Stone Mountain

Existing Lodging Supply by Hotel Class

The City of Stone Mountain's 1,236 reporting hotel rooms are limited between economy inventory and a single large resort. **There are no upscale hotels in the market and only one 8-room boutique property. There is a strong structural gap the proposed boutique hotel can fill.**

CoStar Class	Rooms	Share	Representative Properties (Rooms)
Economy	434	34.9%	Live In Lodge (140), Budgetel (132), Days Inn (81), Americas Best Value (43), Scottish Inns (32), Stillwell House (6)
Midscale	59	4.8%	Quality Inn Stone Mountain (59)
Upper Midscale	405	32.6%	Inn at Stone Mountain Park (92), Hampton Inn (112), Holiday Inn Express (73), Country Inn & Suites (71), Comfort Inn & Suites (57)
Upscale	0	0.0%	None
Upper Upscale	344	27.7%	Atlanta Evergreen Lakeside Resort (336), Stone Mountain Manor (8)
Luxury	0	0.0%	None
Total Reporting Inventory	**1,242**	**100%**	**13 reporting buildings; CoStar market inventory of 1,236 rooms after room-count adjustments**

Concentration risk: Atlanta Evergreen Lakeside Resort alone accounts for 27% of the city's hotel inventory. Excluding the resort, **48% of the remaining 906 hotel rooms are Economy class**. Market-wide averages are pulled down by a product set the proposed hotel would not compete against.

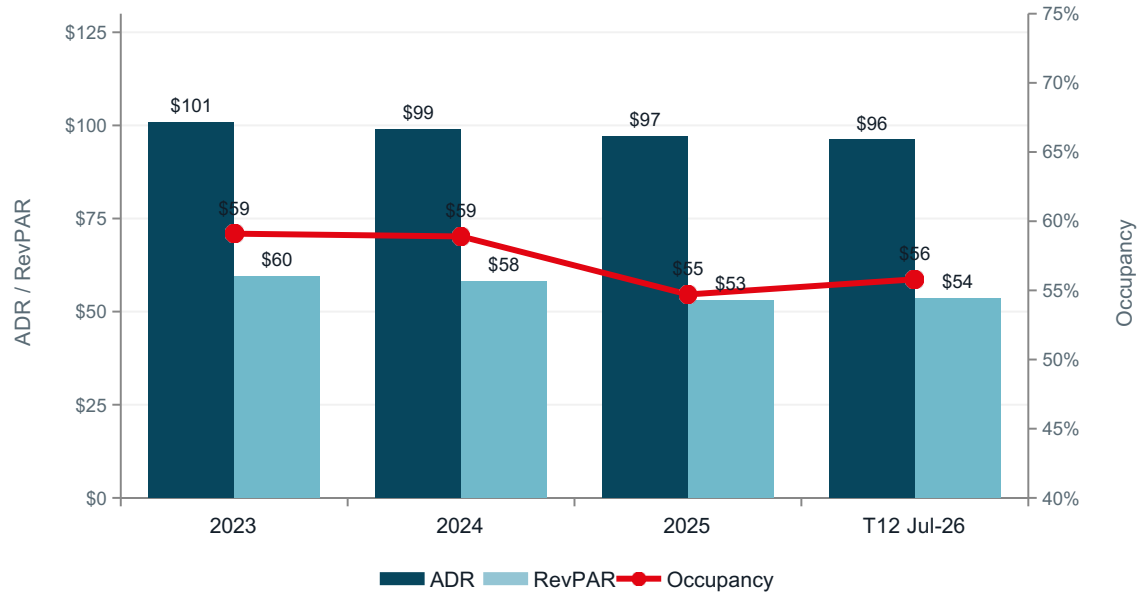
Source: CoStar / STR property list, City of Stone Mountain, August 2026. Excludes the 89-room Fairfield by Marriott under construction.

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City of Stone Mountain

Hotel Market Performance, 2023 to July 2026

With no hotel supply change over the past 3 years, the City of Stone Mountain's hotel performance has decreased. Occupancy has decreased 3.3 points and ADR has decreased 4.6% since 2023, producing a 10.0% decline in RevPAR to $53.63. This market does not signal the need for additional limited-service hotel product.



What the Trend Shows

Supply has been flat. The City's hotel inventory has held at 1,236 rooms with no new hotel deliveries in the trailing three years.

Demand has contracted. Hotel room nights sold fell from 279,900 in 2023 to 259,200 in 2025.

Rate has no momentum. ADR has declined in each of the last three years despite national rate growth.

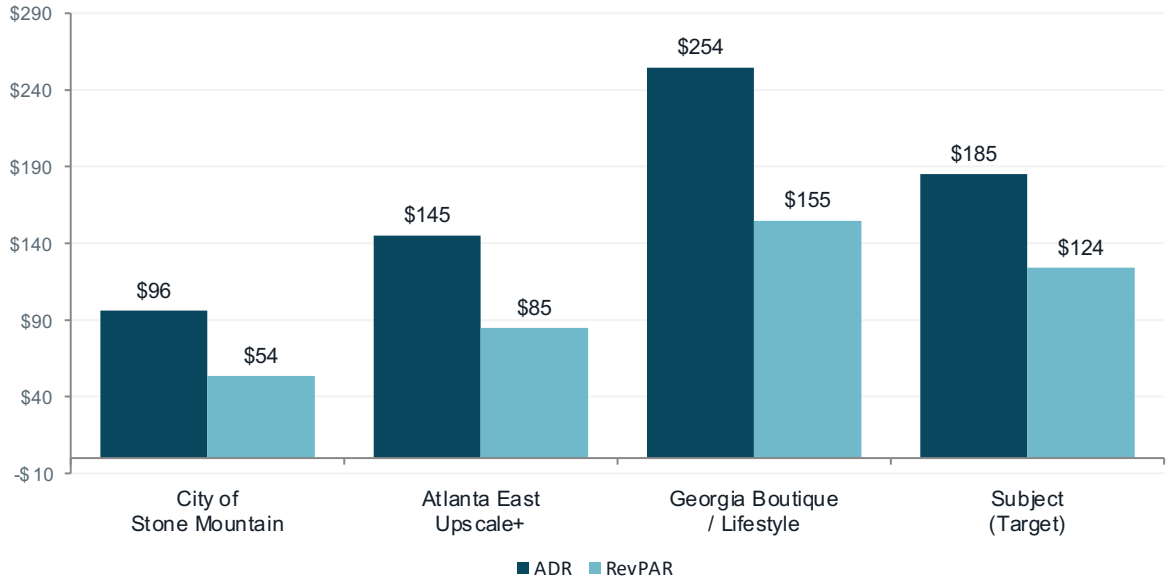
The decline is product-driven. A market this weighted to economy inventory cannot price up without a quality shift.

Source: CoStar / STR. 2023–2025 are calendar years; T12 is the trailing 12 months ended July 2026.

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Comparable Market Benchmarking

Plotting all three geographic hotel competitive sets against the proposed positioning shows the proposed boutique hotel would sit **between the branded-upscale midpoint and the boutique ceiling**, aggressive against the local market, but conservative against the segment it is designed to compete in.



Occupancy Is Not the Differentiator

- **Occupancy is compressed.** All three geographic competitive sets show 55.8%–60.8% occupancy. The entire performance spread is based on average daily rate.
- **Rate opportunity.** The Boutique Georgia hotel set earns $158 more per occupied room than the City of Stone Mountain hotels.
- **The proposed boutique hotel's performance is defensible.** At $185, the proposed boutique hotel prices 27% below the Georgia boutique set's benchmark.
- **Consideration.** Even at $165 annual ADR and 64% annual occupancy, proposed hotel's annual RevPAR of $106 would still be nearly double the City's hotel average.

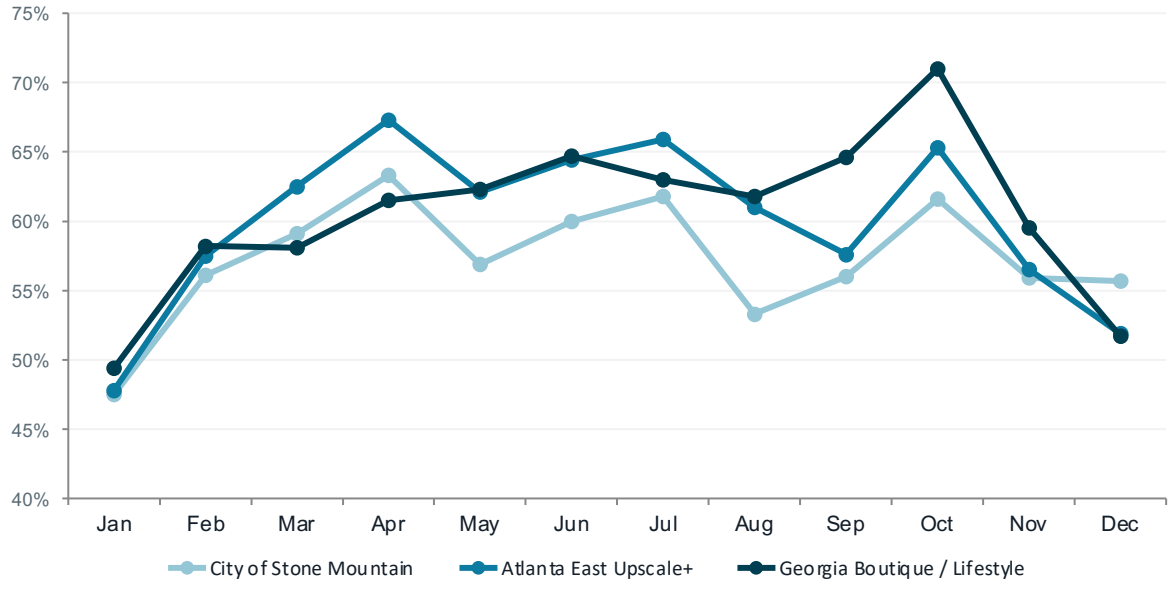
Source: CoStar / STR, trailing 12 months ended July 2026. The proposed boutique hotel target per Initial Market Demand & Feasibility Assessment (67% stabilized occupancy, $185 ADR).

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Seasonality

Monthly Occupancy Patterns, Three-Year Average

All three sets share a January trough and a spring/autumn peak, but the Boutique Georgia Hotel set is both **more seasonal and materially stronger in the shoulder months**. The Boutique Georgia Hotel set's October occupancy of 71.0% is much higher than 61.6% occupancy in the City of Stone Mountain.



Implications for Underwriting

- **Peak-to-trough spread is wide.** Stone Mountain ranges 47.5% (January) to 63.3% (April) — a 15.8-point swing.
- **The Boutique Georgia set's occupancy swings the most.** A 21.6-point range, but from a higher base occupancy and at 2.6x the average daily rate.
- **Q1 is the underwriting risk.** F&B and event revenue must offset the decreased rooms performance in Q1.
- **Autumn is the opportunity.** Yellow Daisy and Pumpkin Festival demand aligns with the strongest pricing month for the Boutique Georgia Hotel set.

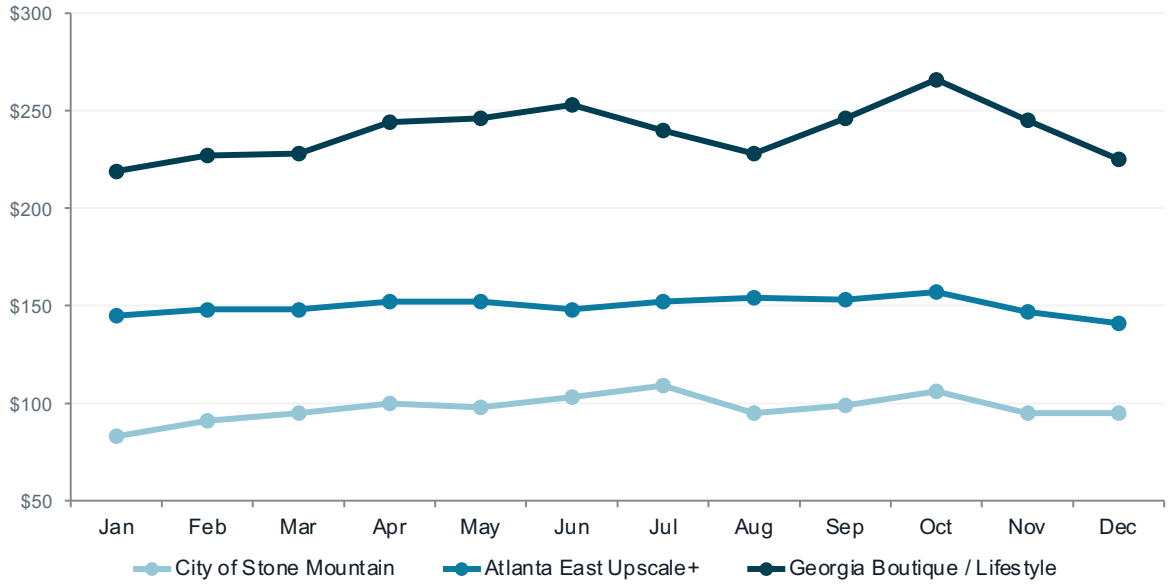
Source: CoStar / STR. Average of monthly results, August 2023 – July 2026.

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Seasonality

Monthly ADR Patterns, Three-Year Average

The average daily rate gap is consistent throughout the year. The Boutique Georgia Hotel set's weakest pricing month ($219 in January) still exceeds **2x the City of Stone Mountain Hotel set's strongest month ($109 in July)**, confirming that the spread is structural rather than seasonal.



Reading the Rate Curves

- **Three parallel bands.** The sets move together seasonally but never converge, evidence of distinct products, not distinct demand cycles.
- **October is the pricing peak** for both the Boutique Georgia Hotel set ($266) and City of Stone Mountain hotel set ($106).
- **Stone Mountain Hotel set's ceiling is $109.** The city's hotels have never averaged above that in any month of the last three years.
- **Proposed boutique hotel's $185 ADR** would sit above the Boutique Georgia Hotel set's monthly trough and below its annual average.

Source: CoStar / STR. Average of monthly results, August 2023 – July 2026.

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Comparable Property Sets

Atlanta East Submarket — Upscale and Above

The Atlanta East Upscale Hotel set is overwhelmingly branded: **11 of 16 properties are Marriott or Hilton franchise products**, and only four independents exceed 20 rooms. This set defines where leaked Stone Mountain demand currently goes.

Property	City	Rooms	Class	Operation
Atlanta Evergreen Lakeside Resort	Stone Mountain	336	Upper Upscale	Independent
Courtyard Atlanta Decatur Downtown	Decatur	179	Upscale	Franchise
Courtyard Atlanta Northlake	Atlanta	128	Upscale	Franchise
Residence Inn Decatur Emory Area	Decatur	124	Upscale	Franchise
Residence Inn Atlanta Covington	Covington	123	Upscale	Franchise
Courtyard Atlanta Covington	Covington	113	Upscale	Franchise
Hilton Garden Inn East/Stonecrest	Lithonia	110	Upscale	Franchise
Homewood Suites Covington	Covington	110	Upscale	Franchise
SpringHill Suites Atlanta Covington	Covington	104	Upscale	Franchise
SpringHill Suites Conyers	Conyers	99	Upscale	Franchise
Courtyard Atlanta Conyers	Conyers	78	Upscale	Franchise
University Inn at Emory	Atlanta	32	Upscale	Independent
James Madison Inn	Madison	19	Upper Upscale	Independent
The Farmhouse Inn	Madison	9	Upper Upscale	Independent
Stone Mountain Manor	Stone Mountain	8	Upper Upscale	Independent
The Twelve Oaks Bed and Breakfast	Covington	8	Luxury	Independent

Set Performance (T12)

Occupancy	**58.6%**
ADR	**$145.07**
RevPAR	**$84.98**

Why This Set Matters

- **Branded, not experiential.** The set proves demand exists at $145 ADR for quality branded hotels.
- **The set is also softening.** RevPAR down 10.6% since 2023 while inventory grew from 1,245 to 1,572 rooms.
- **Supply has outpaced demand** in this submarket, reinforcing that undifferentiated rooms are not the opportunity.

Source: CoStar / STR property list, Atlanta East Hospitality Submarket. Shaded rows denote properties also included in the City of Stone Mountain set.

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Comparable Property Sets

Georgia Boutique / Lifestyle Set

Ten Georgia Boutique Hotel properties (Autograph and Curio soft brands, and Kimpton and Indigo lifestyle assets) sustain **$254.34 T12 ADR** at **60.8% T12 occupancy** and also grew average daily rate through a recent supply increase of 25%.

Property	City	Rooms	Opened	Class
The Hotel at Avalon, Autograph	Alpharetta	330	**2018**	Upper Upscale
Chateau Elan	Braselton	300	1993	Luxury
Lanier Islands Legacy Lodge	Buford	282	1988	Upper Upscale
Cloudland at McLemore, Curio	Rising Fawn	245	**2024**	Upper Upscale
Kimpton Overland Atlanta Airport	Atlanta	214	2017	Upper Upscale
Trilith Guesthouse, Autograph	Fayetteville	193	**2024**	Upper Upscale
Hotel Indigo Vinings Galleria	Atlanta	160	1986	Upper Upscale
Hotel Indigo Atlanta Airport	College Park	142	2012	Upper Upscale
Barnsley Resort	Adairsville	140	1999	Luxury
The Hamilton Alpharetta, Curio	Alpharetta	119	**2021**	Upper Upscale

Set Performance (T12)

Occupancy	**60.8%**
ADR	**$254.34**
RevPAR	**$154.65**

The Absorption Evidence

- **Two 2024 openings added 438 rooms** Trilith Guesthouse (193) and Cloudland at McLemore (245) expanded the set's supply 25%.
- **Occupancy dipped, then recovered** from 58.8% in 2024 to 60.8% today, while ADR rose from $230.51 to $254.34.
- **Rate grew 11.3% since 2023** against declines of 4.6% and 4.9% in the two local sets.

Source: CoStar / STR property list, Luxury and Upper Upscale experiential assets within approximately 70 miles of Stone Mountain. Highlighted opening years denote properties delivered since 2018.

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Hotel Supply Pipeline

After three years of entirely flat hotel inventory, an **89-room Fairfield Inn by Marriott is under construction** in the City of Stone Mountain will represent a 7.2% supply increase to the City.

Today	Under construction	On delivery of the Fairfield Inn	With the proposed boutique hotel (65 rooms)
1,236	**+89**	**1,325**	**1,390**
13 reporting hotels, flat since 2023 with no deliveries	Fairfield by Marriott Inn & Suites, Upper Midscale class	+7.2% inventory into a market where demand fell 7.4% since 2023	+12.5% versus today, but in a class with no existing supply

Risk

- **Direct overlap in the midscale tier.** The Fairfield Inn competes head-on with the Hampton Inn, Holiday Inn Express and Country Inn & Suites, the existing 405-room Upper Midscale block.
- **Near-term pressure on averages.** Absorbing 89 rooms into a market losing demand will likely push reported occupancy lower before it recovers.

Mitigant

- **Different tier, different guest.** The Fairfield Inn reinforces the commodity segment; it does not address the Upscale and boutique void.
- **Confirms developer appetite.** The first construction start in years signals that capital views Stone Mountain as investable, a useful data point for the proposed boutique hotel's own financing narrative.

Source: CoStar / STR, City of Stone Mountain, July 2026. Demand change measured against calendar year 2023.

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Hotel Market Analysis
Takeaways

Strengths & Opportunities

- **No competing product exists.** Zero Upscale-class rooms and eight boutique rooms in the entire city.
- **The rate ceiling is proven.** Georgia boutique assets sustain $254.34 ADR at 60.8% occupancy, 2.6x the city's hotel market.
- **The segment absorbs supply.** The boutique Georgia hotel set took a 25% inventory increase in 2024 and still grew ADR 11.3% since 2023.
- **Absorption is modest.** The proposed hotel would only need 44 occupied rooms per night at 65 keys representing 67% occupancy.
- **Demand generation is durable.** Roughly 4 million annual park visitors and 14 festivals, 16 miles from downtown Atlanta.

Weaknesses and Threats

- **The city's hotel market performance has declined.** RevPAR has decreased 10.0% since 2023 to $53.63 on flat supply and falling demand.
- **The submarket is softening too.** The Atlanta East upscale submarket's RevPAR fell 10.6% since 2023 as inventory grew 26%.
- **Evergreen holds the group business.** 336 rooms, 37 meeting rooms and 64,000 SF of event space inside the park.
- **New supply is arriving.** An 89-room Fairfield adds 7.2% to inventory before the proposed boutique hotel opens.
- **Scale limits the operating model.** At 50–75 rooms, a conventional full-service cost structure is not supportable without independently successful F&B.

Source: JLL analysis of CoStar / STR data, trailing 12 months ended July 2026

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Recommended Concept

Boutique Full-Experience, Not Traditional Full-Service

The data supports an upscale to upper upscale lifestyle hotel, potentially soft-branded, positioned as **the hotel of Stone Mountain Village and the gateway to Stone Mountain Park**, not a competitor to the park's resort inventory.

Preliminary Program

- **60–75 guestrooms,** including several larger family-oriented rooms and suites
- **Destination restaurant and bar** of approximately 70–100 seats
- **Outdoor patio or courtyard** strongly connected to the Village streetscape
- **2,500 to 4,000 SF** of flexible meeting and social event space, the demand for unique and outdoor event space is growing
- **Small fitness facility** and bicycle, hiking and outdoor recreation storage
- **Locally influenced design** tied to the granite landscape and Village identity
- **Wedding and upscale social-event capability** without attempting to become a conference hotel

Positioning Guardrails

- **F&B must serve the Village, not the hotel.** At 65 keys the restaurant cannot be supported only by hotel guests; local and outside restaurant diners will be necessary.
- **Soft hotel branding.** An Autograph, Curio or Tapestry hotel brand affiliation would deliver distribution and loyalty without diluting the local character the rate premium depends on.
- **Walkability is an advantage.** Evergreen's location cannot offer hotel guests is a Village experience on foot.
- **Design must justify the premium.** The 92% rate gap to the city's current rate performance would be earned through product and experience, not just location.

Source: JLL analysis; program parameters per Initial Market Demand & Feasibility Assessment

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Preliminary Stabilized Scenario

Room-Count Sensitivity Analysis at 67% Occupancy and $185 ADR

Three proposed hotel room counts were tested at a common stabilized assumption. The 65-hotel room scenario requires only **44 occupied rooms per night to reach 67% occupancy**, a modest absorption for the city's current hotel inventory.

Scenario	Annual Available Room Nights	Annual Occupied Room Nights	Occupied Rooms per Night	Annual RevPAR	Annual Hotel Room Revenue
50 rooms	18,250	12,228	**34**	$123.95	**$2.26M**
65 rooms	23,725	15,896	**44**	$123.95	**$2.94M**
75 rooms	27,375	18,341	**50**	$123.95	**$3.39M**

Assumptions

- **Stabilized occupancy of 67%,** the midpoint of the 64%–69% target range
- **$185 ADR,** the midpoint of the $175–$200 target range
- **Total revenue at 1.36x–1.60x rooms revenue,** reflecting a destination F&B outlet plus meetings, weddings and ancillary income

Where the Model Is Most Sensitive

- **ADR.** Each $10 of ADR movement shifts 65-room rooms revenue by roughly $159,000 annually.
- **Fixed-cost absorption.** Below roughly 60 rooms, meeting space and F&B overhead become difficult to carry.

Source: JLL analysis. Preliminary planning scenario for testing only; not a projection of operating results.

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