

## Carey Watermark Investors Acquires Hyatt Place Austin Downtown for \$87 Million

*Recently Constructed 296-Room Hotel Centrally Located in Strong Market*

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NEW YORK, April 2, 2014 /PRNewswire/ -- Carey Watermark Investors Incorporated (CWI), a non-traded real estate investment trust (REIT) focused on investing in lodging and lodging-related properties, announced that it has acquired Hyatt Place Austin Downtown, a 296-room upscale select-service hotel, located one block from the Austin Convention Center at 211 East 3rd Street in downtown Austin, for \$87 million.



### Key Facts

- **Strong market:** Austin is one of the top performing hotel markets in the U.S. and for the third consecutive year, the city was ranked as No. 1 "Fastest Growing City in America" by Forbes Magazine in 2013. Austin benefits from many corporate and leisure hotel demand generators, including one of the nation's largest universities with over 54,000 undergraduate students, a large government presence, and booming technology, medical, media and biotechnology sectors. Additionally, Austin hosts numerous festivals and leisure events, including SXSW and Austin City Limits and is home to the Formula 1 United States Grand Prix.
- **Central downtown location:** Hyatt Place Austin Downtown is located in the heart of the city, one block west of the 881,000 square foot Austin Convention Center, two blocks from the Sixth Street entertainment district, one-half mile from the State Capitol building and one mile from the University of Texas campus. There is significant corporate demand in the Austin market, including a large concentration of technology businesses. Major companies in the area include Dell, Apple, AMD, Whole Foods and Silicon Labs. Additionally, the hotel is close to more than 50 restaurants and only 15 minutes from Austin-Bergstrom International Airport.
- **Attractive purchase price:** \$87 million purchase price and \$3.9 million of acquisition-related costs and minor capital improvements. The acquisition was financed with \$56.5 million of debt.
- **Strong brand affiliation:** Hyatt Place was ranked best in its category for the second year in a row

by Business Travel News 2013 Hotel Chain Survey. In addition, Hyatt Place was awarded "Highest in Guest Satisfaction Among Upscale Hotel Chains" by J.D. Power in 2013.

- Best-in-class management: The hotel will continue to be managed by the original developer, White Lodging Services Corporation, a fully integrated hotel ownership, development and operations company focused on developing and operating premium-branded hotels in growing urban markets across the United States. White Lodging Services Corporation will operate the hotel under a long term management agreement.
- Property and amenities:
  - Free Wi-Fi throughout the hotel
  - 296 rooms housed in 17 stories
  - 1,800 square feet of high-tech meeting and function space
  - Constructed in 2013
  - Fee simple ownership
  - Indoor pool, StayFit at Hyatt fitness center and free public computers with remote printing throughout the hotel
  - Coffee to Cocktails Bar and complimentary a.m. Kitchen Skillet breakfast

#### Management commentary

Michael Medzigian, Chief Executive Officer of CWI said: "The acquisition of the Hyatt Place Austin Downtown represented an opportunity to invest in a newly built, high quality, select-service property in one of the strongest domestic hotel markets. As the first newly built Hyatt-branded hotel in downtown Austin in 30 years, we believe the property is well positioned to capture market share. Given the attractive purchase price, central Austin location and exciting growth prospects of the Austin market, we believe that the investment will be a solid cash flow-generating addition to our portfolio."

#### Carey Watermark Investors

Carey Watermark Investors Incorporated (CWI) is a publicly registered real estate investment trust (REIT) that was formed to make investments primarily in the lodging and lodging-related sectors. Affiliates of W. P. Carey Inc. and Watermark Capital Partners advise CWI and manage its overall portfolio. [www.careywatermark.com](http://www.careywatermark.com)

#### **Forward-Looking Statements**

*This press release contains forward-looking statements within the meaning of the Federal securities laws. The statements of Mr. Medzigian are examples of forward looking statements. A number of factors could cause actual results, performance or achievement to differ materially from those anticipated. Among those risks, trends and uncertainties are the risks related to CWI's public offering; the general economic climate; the supply of and demand for hotels; interest rate levels; the availability of financing; and other risks associated with the acquisition and ownership of hotels. For further information on factors that could impact CWI, reference is made to its filings with the Securities and Exchange Commission.*

#### Company contact:

Kristina McMenamain  
W. P. Carey Inc.  
212-492-8995  
[kmcmenamain@wpcarey.com](mailto:kmcmenamain@wpcarey.com)

#### Press contact:

Guy Lawrence  
Ross & Lawrence  
212-308-3333  
[gblawrence@rosslawpr.com](mailto:gblawrence@rosslawpr.com)



Carey Watermark  
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