



## Carey Watermark Investors Acquires Sheraton Austin Hotel at the Capitol

*Joint Venture with JMI Realty Adds Quality Full-Service Hotel to Portfolio*

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NEW YORK, May 30, 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 the Sheraton Austin Hotel at the Capitol, a 365-room full-service hotel, through a joint venture with JMI Realty. CWI holds an 80 percent interest in the joint venture and JMI Realty, a private real estate investment and development company based in Austin, TX, holds a 20 percent ownership interest.



### Key Facts

- **Strong market:** Austin offers a wide variety of attractions that draw nearly 20 million visitors each year. The diverse business mix of stable government and university-related business and rapidly growing technology and entertainment sectors has positioned Austin as one of the top performing lodging markets in the United States. Since 2003, RevPAR in Austin has increased at a 6.7% CAGR, which is well in excess of the average of 4.2% for the Top-25 U.S. lodging markets as a whole.
- **Downtown location:** Located in the heart of downtown Austin, the Sheraton Austin Hotel at the Capitol benefits from being the closest full-service hotel to the entrance of the Capitol and University of Texas'

Football Stadium and Frank Erwin Center, while only being five blocks from the Central Business District/6<sup>th</sup> Street entertainment district. It is also adjacent to the new UT Medical School and redevelopment of Waller Creek.

- **Planned Property Enhancements:** The hotel will undergo a comprehensive renovation including guestrooms and public spaces at an estimated cost of over \$6 million.
- **Strong brand affiliation:** The Sheraton brand is Starwood Hotels & Resorts' largest brand with a total of 427 properties and 149,800 rooms worldwide. The Sheraton Austin Hotel at the Capitol benefits from Starwood's Preferred Guest program, which has over 17 million active members and is considered one of the most loyal guest programs in the hospitality industry.
- **Management:** The hotel will continue to be managed by an affiliate of HEI Hotels & Resorts, which operates six Sheratons and a total of 18 Starwood properties in the U.S.
- **Property and amenities:**
  - 365 rooms housed in 15 stories
  - 17,250 square feet of meeting and function space including a 9,650 square foot ballroom
  - Indoor/outdoor pool, business center and Sheraton Core Fitness Center
  - Three-meal Landmark Restaurant and lobby bar

## Quotes

Michael Medzigian, Chief Executive Officer of CWI: "We are delighted to partner with JMI on the acquisition of this well-located full-service property. In combination with our recently announced acquisition of the select-service Hyatt Place Austin, we believe the strength of the Sheraton brand in the full-service sector, along with the property's location and physical attributes, give us broad sector exposure in the strong Austin lodging market. In addition, this investment is consistent with our strategy of creating joint ventures with experienced owners to maximize the current value of uniquely positioned assets, create a solid financial platform for future operations and achieve attractive risk-adjusted returns for our investors."

Greg Clay, Chief Investment Officer of JMI Realty: "We are pleased to be teaming up with CWI and see this as an exciting opportunity to work with a well-respected investor that not only has access to capital but also has extensive experience in the lodging industry. The Sheraton Austin Hotel at the Capitol is an attractive, full-service property that offers solid growth opportunities in one of the strongest lodging markets in the United States. In conjunction with CWI, we look forward to enhancing the asset in order to drive the value of the investment."

## 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)

## JMI Realty

JMI Realty (JMIR) is a private real estate investment and development company organized in 1992 as the real estate investment subsidiary of JMI Services. In 1998 JMIR was appointed by the City of San Diego as master developer of the Ballpark District. JMIR has since been developing, acquiring, and renovating opportunistic real estate investments throughout the United States with a focus on lodging and hospitality.

### **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.*

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