



Carey Watermark Investors Announces \$81.5 Million Acquisition of Dual-Branded Select-Service Hotel at the Denver Downtown-Convention Center

Hampton Inn & Suites and Homewood Suites by Hilton property added to portfolio
Company Release - 06/26/2014 07:30

NEW YORK, June 26, 2014 /PRNewswire/ -- Carey Watermark Investors Incorporated (CWI), a non-traded real estate investment trust (REIT) focused on investing in lodging properties, announced that it has acquired a 302-room, dual-brand select-service hotel, located in Denver's Central Business District. CWI's total investment in the property is approximately \$85 million.



Key Facts

- **Strong market:** In 2013, average hotel RevPAR in the greater Denver area increased by 8.6%, with occupancy and ADR increasing by 5.7% and 2.7%, respectively. Strengthening market fundamentals combined with Denver's status as a leading destination for corporate, group and leisure visitors have positioned the Denver hotel market well for 2014. In addition, a revitalized downtown core has made the Denver Central Business District (CBD) the cultural, entertainment and business hub of the metropolitan area attracting residents, visitors and companies and hosting over 13 million visitors each year.
- **Downtown CBD location:** The hotel is located at 550 15th Street in the heart of the downtown CBD. Primary demand generators include major corporations and businesses within the CBD, the Colorado Convention Center and Denver's premier leisure attractions, including the 16th Street Mall, Coors Field and

Pepsi Center. Since 2003, the CBD has welcomed approximately \$4.6 billion of public and private sector investment.

- **Attractive all-in acquisition cost:** The \$85 million investment includes an \$81.5 million purchase price as well as acquisition-related costs and planned capital expenditures. The acquisition was financed with \$53 million of debt.
- **Strong brand affiliation:** The Hampton Inn & Suites and Homewood Suites brands are Hilton Worldwide's upper mid-scale select-service and upscale extended-stay brands.
- **High quality design and development:** Opened in 2013, the building is an adaptive re-use redevelopment of a 1960s-era office building. As a result, the dual-branded hotel affords more open expansive lobby areas and larger guestrooms and public spaces, compared to the select-service supply in the market.
- **Property and amenities:**
 - A total of 302 rooms—120 of which are Hampton Inn & Suites and 182 suites of which are Homewood Suites—housed in 12 stories
 - 7,000 square feet of meeting space
 - Two distinct lobbies and receptions desks
 - Redeveloped in 2013
 - Outdoor patio
 - Fitness and business centers
 - Indoor pool and whirlpool
 - Complimentary wireless internet access

Management Commentary

Michael Medzigian, Chief Executive Officer of CWI: "The acquisition of the Hampton Inn & Suites/Homewood Suites by Hilton® Denver Downtown/Convention Center represented the opportunity to invest in a newly redeveloped, quality dual-branded hotel with strong brand affiliations in a strong domestic market. Given these attributes, we believe that the investment will be a solid cash flow-generating addition to our growing 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

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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