

Carey Watermark Investors Acquires Westin Minneapolis for \$66.4 Million

Leading full-service hotel in strong market added to portfolio

Company Release - 02/13/2015 07:30

NEW YORK, Feb. 13, 2015 /PRNewswire/ -- Carey Watermark Investors Incorporated (CWI) announced that it has acquired the landmark Westin Minneapolis hotel. The full-service hotel includes 214 guestrooms and is located in downtown Minneapolis. The acquisition price was \$66.4 million and was financed with \$43.5 million of debt.



Key Facts

- **High quality asset:** The Westin Minneapolis, originally constructed as the Farmers & Mechanics Bank building in 1942, is a uniquely designed, high-quality, high-rise hotel in the heart of Minneapolis. The former bank hall was repurposed in 2007 as the hotel's lobby and features 34-foot vaulted ceilings, a marble staircase and wood-carved emblems signifying the leading industries of the World War II era. As part of the 2007 redevelopment, the adjoining office building was fully reconfigured to house the hotel's guestrooms and meeting space.
- **Attractive location in downtown CBD:** The hotel is centrally located in Minneapolis' central business district, proximate to a number of primary demand generators including the Minneapolis Convention Center, Target Field and Target Center, as well as major businesses including Wells Fargo, U.S. Bancorp, PwC, Ernst & Young and Accenture. The property also maintains a link to the Minneapolis Skyway System, a climate controlled pedestrian walkway that connects the property to key entertainment, retail and office locations in the downtown area.
- **Strong market:** The Minneapolis market continues to be a solid Midwestern market with a significant corporate base, strong convention business and a number of major downtown commercial, retail and residential development projects in the pipeline. The Minneapolis-St. Paul lodging market experienced five years of consecutive RevPar growth, registering a 7.7% compound annual growth rate from 2009 through 2014.
- **Attractive all-in investment:** The total \$69.6 million investment includes the \$66.4 million purchase price as well as \$3.2 million of other acquisition-related costs and planned capital expenditures.
- **Management:** The hotel will continue to be managed by HEI Hotels & Resorts, a hospitality owner/operator that owns and manages 41 full-service, upper-upscale, luxury and premium select-service hotels and resorts

throughout the U.S. HEI currently manages the Sheraton Austin at the Capitol and the Boca Raton Marriott at Boca Center for CWI.

- **Westin brand affiliation:** The Westin brand is one of Starwood Hotels & Resorts' largest brands with a total of 204 properties and 77,535 rooms worldwide. The Westin Minneapolis benefits from Starwood's Preferred Guest program, which has over 17 million active members and is considered one of the top loyalty programs in the hospitality industry.
- **Property and amenities:**
 - 214 rooms
 - 9,300 square feet of interior meeting space
 - 4,700 of skyway retail spaces
 - Full-service restaurant and bar
 - Indoor heated swimming pool
 - Fitness studio
 - Business center

Management Commentary

Michael Medzigian, Chief Executive Officer of CWI, stated: "CWI's investment in the Westin Minneapolis represented the opportunity to acquire an irreplaceable landmark and leading full-service hotel in a strong market. Our ability to acquire a consistently yielding, quality property with unique inherent long-term value that requires minimal near term capital investment made it a particularly attractive acquisition for Carey Watermark Investors."

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

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 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 McMenamin

W. P. Carey Inc.

212-492-8995

kmcmenamin@wpcarey.com

Press contact:

Guy Lawrence

Ross & Lawrence

212-308-3333

gblawrence@rosslawpr.com



Carey Watermark

I N V E S T O R S 1

Photo - <http://photos.prnewswire.com/prnh/20150212/175315>

Logo - <http://photos.prnewswire.com/prnh/20130530/NY22864LOGO-b>

To view the original version on PR Newswire, visit:<http://www.prnewswire.com/news-releases/carey-watermark-investors-acquires-westin-minneapolis-for-664-million-300035784.html>

SOURCE Carey Watermark Investors Incorporated

[Click here for Printer-Friendly Version](#)