

## The Ritz-Carlton Philadelphia Acquired by Carey Watermark Investors in Joint Venture

*Historic city-center hotel added to portfolio*

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NEW YORK, May 18, 2015 /PRNewswire/ -- Carey Watermark Investors Incorporated (CWI 1) announced that it has acquired a majority interest in the 299-room Ritz-Carlton Philadelphia (The Ritz-Carlton) in a joint venture with Philadelphia Hospitality Partners, L.P., the owner of the property.



### Key Facts

- **Historic property in premier Center City, Philadelphia location:** Originally built between 1904 and 1908 as The Girard Trust Company, the rotunda and adjacent eight-story tower of The Ritz-Carlton Philadelphia were designed by McKim Mead and White; the adjoining tower was added in 1923. The building was expanded from 8 stories to a height of 30 stories in 1931 and converted to The Ritz-Carlton in 2000. Located within the central business district, the landmark hotel is adjacent to City Hall and within walking distance of the recently completed \$50 million Dilworth Plaza fountain and skating rink, as well as fine dining and upscale shopping.
- **Improving Philadelphia hotel market:** One of the top 25 hotel markets in the United States, Philadelphia benefits from a well-diversified economic base with major sectors such as healthcare, education, legal, insurance and technology that serve as cornerstones for the market's strength and vitality. According to PKF Hospitality Research, hotel occupancy in Center City Philadelphia hit 76% in 2014, the highest annual occupancy since 1949. The city is in the midst of a major revitalization with over 50 major Center City developments in progress representing over \$4.7 billion in total investment. Some other notable, recent projects include the 2011 expansion of the Pennsylvania Convention Center (and subsequent management

change in late-2013), expansions at the University of Pennsylvania and the Jefferson Health System and large-scale redevelopment projects of historic buildings located throughout the city.

- **\$21.3 million hotel renovation plan:** A \$21.3 million comprehensive renovation of the entire property is planned for Q3 2015 through Q2 2016. All rooms will receive a full replacement of soft and case goods, along with bathroom upgrades. The lobby, meeting space, ballroom, corridors, club lounge and food & beverage outlets will all be renovated as well.
- **Food & beverage reconceptualization:** The venture expects to enter into an agreement with a third-party food & beverage operator to operate its newly-renovated and re-concepted restaurant and lounge.
- **Strong Marriott brand affiliation:** The hotel will continue to be managed by The Ritz-Carlton Hotel Company, L.L.C., an affiliate of Marriott International. As a member of the Marriott International family, The Ritz-Carlton Philadelphia benefits from its luxury branding and Marriott's management platform affiliation, including access to its global distribution system and The Ritz-Carlton Rewards program.
- **Amenities:**
  - 299 guestrooms
  - 26,000 square feet of meeting and banquet space, including a 6,100 square-foot grand ballroom
  - Richel D'Ambra Spa & Salon
  - Fitness center
  - Business center
  - Two food & beverage outlets

### Management Commentary

Michael Medzigian, President & Chief Executive Officer of Carey Watermark Investors: "The joint venture investment in The Ritz-Carlton Philadelphia allowed us to add a high quality landmark hotel to the Carey Watermark Investors portfolio. We are excited about the opportunity to recapitalize an exceptional asset in order to fund an extensive renovation and position the property competitively within the luxury sector of the market. The acquisition of an institutional-grade, luxury hotel in an established city-center location, in combination with the strength of The Ritz-Carlton brand, represents a unique and attractive opportunity as we continue to build out our portfolio."

### Carey Watermark Investors

Carey Watermark Investors Incorporated 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 1 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 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 1, reference is made to its filings with the Securities and Exchange Commission. Statements about past performance, which are presented for informational purposes only, are not a guarantee of future results.*

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