

Carey Watermark Investors 2 Acquires Le Méridien Arlington

154-room top performing hotel centrally located in Washington, DC region

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NEW YORK, June 29, 2016 /PRNewswire/ -- Carey Watermark Investors 2, Incorporated (CWI 2), a non-traded real estate investment trust (REIT) focused on investing in lodging and lodging-related properties, announced that it has acquired the Le Méridien Arlington. The hotel is part of a mixed-use development that includes 621,000 square feet of Class A office space and 136 residential units, as well as the 154-guestroom Le Méridien. Centrally located in the urban village of Rosslyn, a submarket of Arlington, VA, across the river from Georgetown, the property is in close proximity to top destinations in the Washington, DC area.



Key Facts

- **Repositioned, renovated high-quality asset:** Built in 2008, the property was converted to the Le Méridien brand in 2012. A \$3 million soft goods renovation of the guestrooms and meeting space is currently underway, resulting in a totally renovated asset.
- **Strong Washington, DC/Northern Virginia market:** Rosslyn, a submarket of Arlington, benefits from its proximity to numerous restaurants, shopping areas, tourist destinations and corporate offices within the Georgetown/Washington, DC region. The Washington, DC/Northern Virginia market has shown healthy RevPAR growth (5.1% in 2014 and 5.4% in 2015).
- **Attractive urban location with high barriers to entry:** The Rosslyn submarket includes more than 24.4 million square feet of office space and has limited developable land. The property is the only hotel that has been developed in Rosslyn since 2000.
- **Strong brand affiliation and management:** Le Méridien, a Starwood Hotels & Resorts brand, is a global hotel brand with a portfolio of more than 100 luxury and upper-upscale hotels across more than 50 countries worldwide. The hotel will continue to be managed by HEI Hotels & Resorts, a hospitality owner and operator that operates 62 full-service, upper-upscale, luxury and premium select-service hotels and resorts throughout the United States, including a total of nine properties owned by CWI 2 and its affiliate, Carey Watermark Investors. The property represents the only Le Méridien in Virginia and Washington, DC and the only Starwood product in the Rosslyn submarket.
- **Property and amenities:**
 - 154 guestrooms
 - 4,800 square feet of indoor meeting and event space

- o 4,500 square feet of outdoor meeting and event space
- o Bar/lounge and full service restaurant
- o Fitness center
- o Business center

Management Commentary

Michael Medzigian, Chief Executive Officer of CWI 2, said: "The acquisition of Le Méridien Arlington represented the opportunity to secure a fully renovated asset in one of the most attractive locations in Arlington and the Washington, DC region. The hotel is the highest quality asset in the Arlington market and benefits from its proximity to nearby office buildings, as well as the greater Georgetown and Washington, DC markets. Given this positioning, as well as the limited availability of other sites for hotel development in the Rosslyn market, we believe the property will continue to generate attractive near term cash flow and add incremental long-term value to CWI 2's portfolio. Additionally, we are extremely pleased to continue to expand on our already important relationships with both Starwood Hotels & Resorts and HEI Hotels & Resorts."

Carey Watermark Investors 2

CWI 2 is a publicly registered 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 2 and manage its overall portfolio. www.careywatermark2.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 CWI 2's 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; other risks associated with the acquisition and ownership of hotels; and risks related to CWI 2's offering of shares. For further information on factors that could impact CWI 2, reference is made to its filings with the Securities and Exchange Commission. Statements about past performance (including regarding RevPAR growth) are presented for informational purposes only and are not a guarantee of future results.

Press contact:

Guy Lawrence

Ross & Lawrence

212-308-3333

gblawrence@rosslawpr.com



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