

Carey Watermark Investors Acquires Westin Pasadena for \$142.5 Million

Leading full-service hotel in strong market added to portfolio

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NEW YORK, March 23, 2015 /PRNewswire/ -- Carey Watermark Investors Incorporated (CWI) announced that it has acquired the landmark Westin Pasadena hotel. The full-service hotel includes 350 guestrooms and is located in downtown Pasadena, California. The acquisition price was \$142.5 million.



Key Facts

- **High quality asset:** The Westin Pasadena is a Four Diamond AAA-rated hotel located within the Plaza Las Fuentes, a mixed-use complex with a 178,000 square-foot office building and 15,000 square feet of retail space, including two restaurants. The hotel features Spanish architecture highlighted by a dramatic façade, manicured courtyard garden and sculptured fountains.
- **Attractive location in downtown CBD:** The hotel is in close proximity to Pasadena's many attractions and demand generators, including the Pasadena Convention Center, Civic Auditorium, Rose Bowl and Paseo Colorado shopping and entertainment center. The property also benefits from its proximity to the strong corporate base in downtown Los Angeles, which is 10 miles from the hotel.
- **Strong market:** The Pasadena market contains over seven million square feet of office space and is home to the famed Rose Bowl and Rose Parade which attracts over 730,000 spectators and contributes an annual economic impact of more than \$300 million. Pasadena also benefits from an emerging and improving group market, the result of a \$150 million expansion and renovation of the Pasadena Convention Center which was completed in 2009.
- **Attractive all-in investment:** The total \$158 million investment includes the \$142.5 million purchase price, as well as approximately \$15.5 million of planned capital expenditures and other acquisition-related costs.
- **Planned capital expenditures:** CWI will implement an extensive renovation of the guestrooms through a full replacement of the soft and case goods throughout the guestrooms and corridors. Further, various other value-add projects throughout the hotel will be completed in conjunction with the renovation.
- **Management:** The hotel will continue to be managed by HEI Hotels & Resorts, a hospitality owner/operator that owns and manages 43 full-service, upper-upscale, luxury and premium select-service hotels and resorts throughout the U.S. HEI currently manages the Westin Minneapolis, Sheraton Austin at the Capitol and the Boca Raton Marriott at Boca Center for CWI.

- **Westin brand affiliation:** The Westin brand—one of Starwood Hotels & Resorts' largest brands with a total of 204 properties and 77,535 rooms worldwide—benefits from Starwood's Preferred Guest program, one of the top loyalty programs in the hospitality industry.
- **Property and amenities:**
 - 350 rooms
 - 19,000 square feet of interior meeting space
 - Full-service restaurant and bar
 - Lobby lounge with Westin-branded "Haven" business/networking space
 - Outdoor heated swimming pool and spa
 - 1,300 square-foot fitness studio

Management Commentary

Michael Medzigian, Chief Executive Officer of CWI, stated: "CWI's investment in the Westin Pasadena represented the opportunity to secure a well-located asset that benefits from the overall strength of the Southern California lodging market. The Four Diamond property generates attractive cash-flow and we believe that it will continue to benefit from the diverse corporate and leisure attractions in the area. Our ability to acquire a high quality well-positioned asset in a strong market adds additional market diversity as well as solid long-term cash generating capability to our 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

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'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; 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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