



## Carey Watermark Investors and Carey Watermark Investors 2 Purchase The Ritz-Carlton Key Biscayne, Miami Property in Joint Venture

*AAA Four Diamond destination resort added to portfolios*

NEW YORK, June 1, 2015 - Carey Watermark Investors Incorporated (CWI 1) and Carey Watermark Investors 2 Incorporated (CWI 2), two non-traded real estate investment trusts (REITs) focused on investing in lodging and lodging-related properties, acquired a majority interest in The Ritz-Carlton Key Biscayne, Miami (The Ritz-Carlton) in a joint venture with an affiliate of GB Key Biscayne Holdings, LLC, the original developer of the property. The property includes 302 resort guestrooms and 188 condo-hotel units (174 of which currently participate in the resort rental program).



**Play Video -** [http://origin-qps.onstreammedia.com/origin/multivu\\_archive/PRNA/ENR/1336188-1-ritz-carlton5-short.mp4](http://origin-qps.onstreammedia.com/origin/multivu_archive/PRNA/ENR/1336188-1-ritz-carlton5-short.mp4)

### Key Facts

- **Unique Key Biscayne location with high barriers to entry:** The property is located on Key Biscayne, an island approximately three miles off of the coast of Miami and 16 miles from Miami International Airport. The resort sits on 17 acres of oceanfront land. Due to limited area and significant development limitations on the island, it would be very challenging to develop a comparable property on Key Biscayne.

- **High quality resort destination:** Key Biscayne is firmly established as a world-class resort community offering beautiful nature preserves, shopping villages, golden beaches and some of the most exclusive and expensive residential homes in South Florida. It hosts an international tennis center (home to the Miami Open tennis tournament) and a championship golf course, and provides the perfect location for numerous water sports and fishing. The adjacent island, Virginia Key, is home to the Miami Seaquarium.
- **Planned property enhancements:** The resort, developed in 2001, has recently completed a full renovation of the lobby, two food & beverage outlets and spa. An additional renovation of the guestrooms is planned for 2016—with all of the rooms and condo units scheduled to receive a full replacement of all soft goods, along with various bathroom upgrades, and a significant repositioning of its signature restaurant, Cioppino.
- **Strong Miami market:** In 2014, Miami was the fourth highest U.S. market in terms of overall RevPAR, after New York, Oahu and San Francisco. According to PKF, the Miami lodging market continues to show strength with projected annual RevPAR growth (revenues per available room) in the 5% range over the next several years.
- **Management:** The hotel will continue to be managed by The Ritz-Carlton Hotel Company, L.L.C., an affiliate of Marriott International.
- **Marriott brand affiliation:** As a member of the Marriott International family, The Ritz-Carlton Key Biscayne benefits from its luxury branding and Marriott's management platform affiliation, including access to its global distribution system and The Ritz-Carlton Rewards program.
- **Property and amenities:**
  - 302 resort guestrooms, including 38 suites and 188 condo-hotel units, of which 174 units participate in the resort rental program
  - 20,000 square feet of interior meeting and banquet space
  - 30,000 square feet of exterior function space, including two pool decks
  - Recently renovated 20,000 square foot spa with 21 treatment rooms
  - Full-service fitness center
  - Tennis center with 10 clay courts and one hard court
  - Two pools
  - Five primary food & beverage outlets

## Management Commentary

Michael Medzigian, Chief Executive Officer of the Carey Watermark Investors investment programs: "The joint venture investment in The Ritz-Carlton Key Biscayne property allowed us to add a AAA Four Diamond destination resort in a location with high barriers to entry to the CWI 1 and CWI 2 portfolios. Working with GB Key Biscayne Holdings, we were able to recapitalize the asset to allow for ongoing renovations and secure attractive current risk adjusted returns with the potential for longer term incremental value. The combination of a high quality asset in an unmatched location with the strength of The Ritz-Carlton brand represented a unique and attractive investment opportunity."

## Carey Watermark Investors

CWI 1 and CWI 2 are publicly registered REITs that were 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 CWI 2 and manage their overall portfolios.

[www.careywatermark.com](http://www.careywatermark.com), [www.careywatermark2.com](http://www.careywatermark2.com)

*This press release contains forward-looking statements within the meaning of the Federal securities laws. The statements of Mr. Medzigian, and statements regarding RevPAR growth projects, are examples of*

*forward-looking statements. A number of factors could cause CWI 1's and/or 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 either CWI 1 or CWI 2, reference is made to their respective 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.*

**Company contact:**

Kristina McMenemy

W. P. Carey Inc.

212-492-8995

[kcmcmeny@wpcarey.com](mailto:kcmcmeny@wpcarey.com)

**Press contact:**

Guy Lawrence

Ross & Lawrence

212-308-3333

[gblawrence@rosslawpr.com](mailto:gblawrence@rosslawpr.com)