



LUBERT·ADLER
REAL ESTATE FUNDS

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LUBERT-ADLER SELLS TWO HOTELS FOR \$156.6 MILLION TO CAREY WATERMARK INVESTORS

\$83 Million Sale of Raleigh Marriott City Center is Latest Hotel Sale



Philadelphia, PA, August 13, 2013 – Lubert-Adler of Philadelphia, PA has sold two hotels comprising 647 keys to New York City-based Carey Watermark Investors for a total of \$156.6 million. The most recent sale, which closed today, was the 400-room Marriott Raleigh (NC) City Center, which was sold for \$83 million. The 248-key Hutton hotel in Nashville, TN sold earlier this summer for \$73.6 million, setting a record sale price of roughly \$300,000 per key for the Nashville hotel market.

"With the closing of the sale of the Marriott Raleigh City Center, Lubert-Adler and its partners have completed two sales, totaling \$156.6 million to Carey Watermark in 2013," said Dean Adler, CEO and Co-Founder, Lubert-Adler Partners, L.P. "Along with the Hutton Hotel sale, this transaction is representative of Lubert-Adler's investment strategy of creating cash-flowing assets through significant capital infusion."

The Marriott Raleigh City Center was developed through a public-private partnership with the city of Raleigh, NC in conjunction with the city's new 500,000 SF convention center. The City of Raleigh contributed \$20 million for construction of the hotel's 14,900 SF of public meeting space, as well as below-market parking arrangements and a favorable, long-term ground lease. The hotel is connected to the convention center by an underground walkway and is also convenient to major corporate offices, government centers, educational institutions, sports venues, and performing arts facilities. Noble Investment Group was Lubert-Adler's operating partner

In Nashville, Lubert-Adler and Amerimar Enterprises acquired a 170,000 SF Class C office building located in the city's West End submarket in 2007. Although only 70 percent occupied at that time, the building offered proximity to such popular destinations as The Grand Old Opry, Vanderbilt University, the new 1.2 million SF Music City convention center, and two large medical centers. Through an adaptive re-use strategy, Lubert-Adler and its operating partner aimed to create Nashville's first design-driven boutique hotel, similar to Amerimar's Hotel George in Washington DC and Hotel Derek in Houston. Hutton Hotel opened in February 2009 and has since garnered the coveted AAA Four-Diamond rating, Forbes Four-Star Award, and inclusion in Conde Nast Traveler's "Hot List" as well as Travel and Leisure's "T&L 500" list.

"Lubert-Adler Funds have continued the strategy of creating cash flowing hospitality properties," continued Adler. "Since mid-2010, we have invested with various operating partners in 13 properties comprising 3,178 keys. The programs are primarily focused on the acquisition and substantial renovation of well-located hospitality properties at competitive cost bases." Under this program, Lubert-Adler has acquired and substantially upgraded and/or renovated Embassy Suites properties in Dallas, Nashville, and New Orleans, as well as the following:

- Novotel, New York City
- Hampton Inn, Cleveland, OH
- Hampton Inn, Jacksonville, FL
- Doubletree, Marina Del Rey, CA
- Hyatt Place, New Orleans, LA
- Sheraton Novi, Detroit, MI
- Indigo, Nashville, TN
- Anza Hotel, Calabasas, CA

Lubert-Adler was co-founded in 1997 by Ira Lubert and Dean Adler, who collectively have over 50 years of experience in underwriting, acquiring, repositioning, refinancing, and disposing real estate assets. Today, the Philadelphia-based firm has grown to include more than 25

investment professionals and has invested \$6.5 billion of equity into assets valued at over \$16 billion. For more information, visit www.lubertadler.com.

Photos: above, Marriott Raleigh City Center. Below: Lobby of Hutton Hotel, Nashville, TN.

