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## **Hotel Equity & Lender Perspective (HELP) conference produces deals for hotel investors**

May 22, 2012 - Spotlights

The Hotel Equity & Lender Perspective event held at the Westin Boston Waterfront Hotel, May 2-3 produced several deals for investors anxious to find debt for acquisition, renovations and new construction. The first annual event was attended by over 300 hotel owners, private equity investors, public and private REIT's, national and regional lenders as well as every major hotel brand. The first of its kind event in the Northeast was produced by a collaboration of O'Connell Hospitality Group, Capital Hotel Management and Conventus Media and was supported by over 20 local and national industry sponsors.

The goal of the event was to bring together lenders and investors to try to jump start hotel transaction activity. The premise being that an intimate setting, with quality content and networking opportunities would convert investor vision into reality by linking them with the required capital necessary to get the project completed.

An outlook for the economy and industry trends was presented by Wall Street analysts from RW Baird, PKF Hospitality Research (HELP sponsor), HVS International and Boston's own Pinnacle Advisory Group (HELP sponsor). A very positive outlook for our national economy and the hotel industry was capped off by very positive projections for the Boston hotel market. Rachel Roginsky, principal of Pinnacle Advisory Group explained that Boston in 2012 is almost at full capacity with very few supply additions coming on line that could negatively impact market performance. Boston in 2012 is experiencing outstanding demand for hotel rooms due to historically high bookings at the Boston Convention and Exhibition Center.

Eighteen different lenders, expressing strong interest in lending on hotels took part in panel discussions and discussed terms and conditions that appeared to be very favorable to many of the hotel owners in attendance. Wells Fargo (HELP sponsor), Deutsche Bank Securities, Starwood Property Trust, Cornerstone Real Estate Advisors and Archon Capital discussed the favorable prospects for deals "Over \$25 Million". Representatives from U.S. Bank, Washington Trust, Rockbridge Capital and PMZ Capital laid out lenders terms for deals "Under \$25 Million".

Boston's own DebtX (HELP sponsor), with help from Square Mile Capital, Varde Partners, Goodwin Procter (HELP sponsor) and Winston Hospitality showed the audience how to acquire hotels through the acquisition of the debt. For the owners that continue to struggle with financial issues generated from 2006 and 2007, Proskauer Rose (HELP sponsor) conducted a session entitled "Rewind, Restructure and Re-Emerge, Can't we all just get along". Despite positive trends, many hotel investors have issues with CMBS Servicers and other workout specialists and many needed insight into how this "loan to own" landscape has changed in the past three years.

To get a perspective from the publicly traded hotel companies, David Loeb, senior research analyst at RW Baird & Co. conducted an interview of four of the top Hotel REIT's in the country, each of

which have major holdings in Boston and the surrounding area. Jeff Fisher, CEO of Chatham Lodging Trust, John Murray, COO of Hospitality Properties Trust, Michael Barnello, president and CEO of LaSalle Hotel Properties and Ashish Parikh, CFO of Hersha Hospitality Trust all spoke of the positive performance of their area hotels which produce favorable results that contributed to their company's balance sheets.

Capital invested by private equity investors is the fuel that runs the real estate transaction engines across the nation. Pension fund advisors and institutional investors AEW Capital Management, Cornerstone Real Estate Advisors, Cerberus Capital Management and Madison Marquette all provided insight into what they require from hotel owner/silver equity investors. IRR hurdles, exit strategy provisions and other terms and conditions were discussed.

Other lenders from Bank of America, UC Funding, Mesa West, Access Point Financial, Lexden Capital as well as the major hotel companies like Hilton Worldwide, Intercontinental Hotels, Choice Hotels International and Wyndham International all participated in a networking event called "Circle the Wagons" that provided investors with critical insight into the terms and conditions of their lending programs as well as growth prospects and product types and geographic location goals set by the brands.

At least five attendees received more favorable terms and conditions from lenders at the HELP Conference than before they attended. An attorney picked up a major new client during the HELP Dine Around. The Deans and students from the UMass. Isenberg School of Business, Boston University School of Hotel Management and UNH Whitmore School were invited to participate at the event. Three of the students that attended the conference received job offers at the event!

After a day and a half of networking, the HELP Conference produced results that can be quantified. We expect that the success of the event will cause the more main stream real estate investment firms in Boston to embrace the HELP Conference in 2013. Many thanks to the New England Real Estate Journal for being the first media sponsor for the HELP Conference.

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