

MIAMI TODAY

WEEK OF THURSDAY, AUGUST 6, 2015

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Conrad Miami pricing shows market strength

By Carla Vianna

A novelty on the real estate market, the Conrad Miami hotel on Brickell Avenue has attracted a lengthy list of investors spanning all four hemispheres.

The hotel, which is in the iconic Espirito Santo building, is expected to sell for about \$100 million, or about \$490,000 per guest room.



Ari Tenzer

That asking price is on the high end of the stick for Brickell hotels, said Ari Tenzer, an attorney who has represented various owners within the hospitality industry.

"It signals the strength of the Miami hotel market as a whole," Mr. Tenzer said.

Hotels in Miami Beach have sold for about \$750,000 per guest room, but on Brickell, prices are closer to \$400,000 a key, he said.

Any buyer who is willing to pay that amount is clearly invested in Miami.

"They have full confidence that the hotel market will not only continue at the level it's performing but also increase," Mr. Tenzer said.

Typically, a hotel will be marketed for six to eight weeks before realty broker CBRE, which is handling the sale, sets a call-to-offers date. Then negotiations with the most aggressive of those bidders will start.

Paul Weimer, a member of the CBRE team marketing the hotel, said the building has been owned by European company Holborn LC since it was built by the Espirito Santo banking family. Property records show the 203-unit hotel was built in 2003.

After 11 years of ownership and a good amount of interest shown by groups looking to acquire the hotel within the past two years, Holborn decided to sell. The hotel is being sold as an established entity, keeping its Conrad Hotels & Resorts brand and managed by Hilton Worldwide. Such a contract, however, might require a new owner to keep with certain standards established by the

brand.

"There's not many hotels that come up for sale on Brickell Avenue," Mr. Weimer said. "Now here is an option to buy one."

Mr. Weimer has repeatedly taken interested parties on tours within the site since about two weeks ago when CBRE began marketing it.

"We have tons of interest in this property," he said, including the typical hotel investors in the state; real estate investment trusts (REITs), which are companies that own or finance income generating real estate; and high-net-worth domestic, South American, European and Asian groups.

Mr. Tenzer points to a growing interest from investors in China looking to join the hotel market in Miami, as well as the inflow of money from the Northeast.

"It'll be nice for the city to have a new owner [who] will probably invest quite a bit of money to renovate facility," Mr. Weimer said.

