

Starwood Capital Group Agrees To Sell an £830m (\$1.1b) Portfolio of U.K. Hotels to Foncière des Régions

MIAMI, May 3, 2018 /PRNewswire/ -- Starwood Capital Group ("Starwood"), a leading global private investment firm, announced today that a controlled affiliate has agreed to sell a portfolio of 14 U.K. hotels that form part of The Principal Hotel Company to Foncière des Régions (through its subsidiary dedicated to hotel real estate, Foncière des Murs). Terms of the transaction, which is expected to be completed in June 2018, were not disclosed.

The portfolio consists of 14 leading, full-service hotels comprised of 2,638 keys and split across two distinct landmark brands, Principal (12 hotels) and De Vere (2 hotels). The properties occupy flagship locations in high-growth cities across the U.K., including London, Manchester, Edinburgh, Glasgow, Oxford, York and Leeds. Included in the portfolio are The Principal London and The Principal Manchester, two of the most iconic and historic hotels in the U.K.

"This landmark transaction represents a major milestone in our remarkable journey with The Principal Hotel Company," said Cody Bradshaw, Managing Director and Head of European Hotels for Starwood Capital Group. "Five years ago, we embarked on an investment strategy aimed at consolidating more than 50 hotels across four different U.K. hotel companies to form a leading platform. With this sale to Foncière des Régions, we will have realized 35 asset disposals in total since our acquisition. As long-term institutional investors, Foncière des Régions are extraordinary custodians of real estate and we could not be more thrilled to pass them this iconic collection of assets."

The Principal Hotel Company includes many of the properties that Starwood acquired through the purchase of Principal Hayley in 2013, Four Pillars and De Vere in 2014, and the Townhouse Collection in 2015, and the subsequent combination of the four portfolios. Starwood has invested significant capital into the portfolio in recent years to reinvigorate the properties and relaunch the Principal and De Vere brands to the market. This includes the highly acclaimed openings of The Principal Edinburgh Charlotte Square, The Principal York, The Principal Manchester, The Principal Edinburgh George Street and the flagship of the brand, The Principal London, which will complete its dramatic restoration this summer. The De Vere brand recently celebrated its official relaunch following substantial investment across the estate, which saw its historic, mansion house hotels extensively renovated to celebrate their British heritage and stunning natural landscapes. Following the successful rollout of its new Smart Space meeting and events product, together with nearly a dozen new restaurants and bars, De Vere has cemented its position as the U.K.'s leading independent conference hotel group.

Eastdil Secured and UBS served as advisors on the transaction.

About Starwood Capital Group

Starwood Capital Group is a private alternative investment firm with a core focus on global real estate, energy infrastructure and oil & gas. The Firm and its affiliates maintain 11 offices in five countries around the world, and currently have approximately 3,800 employees. Starwood Capital Group has raised \$45 billion of equity capital since its inception in 1991, and currently manages approximately \$56 billion in assets. The Firm has invested in virtually every category of real estate on a global basis, opportunistically shifting asset classes, geographies and positions in the capital stack as it perceives risk/reward dynamics to be evolving. Over the past 26 years, Starwood Capital Group and its affiliates have successfully executed an investment strategy that involves building enterprises in both the private and public markets. Additional information can be found at starwoodcapital.com.