

NEW HOTEL DEVELOPMENT IN THE CURRENT ENVIRONMENT

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Presenters



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Aimbridge
Hospitality

Aloft Hotels By Starwood



Hyatt Hotel Lisle , IL



Sheraton Hotel Jacksonville, FL.



CAMBRIA SUITES, L.A.**LTC****42%****PROJECT DESCRIPTION**

Adaptive re-use of a 1927, 160,000 sq. ft., 13-story office building in the historic Old Bank District of Downtown Los Angeles featuring a 300-patron capacity high-energy Rooftop Lounge & Restaurant, the last one allowed in Downtown L.A., a 200-patron capacity lower-level night club, a 25,000 sq. ft. parking garage, and 120,000 sq. ft. on 10 floors to accommodate 180 guest suites.

CAPITALIZATION**Cost** **31,252,000****Equity / Debt**

Preferred Investor (Choice) 5,000,000

New Markets Tax Credit (net) 3,000,000

Developer (SSHG) 10,000,000

EQUITY **18,000,000****DEBT** **13,252,000****TOTAL** **31,252,000****RATIOS****Coverage Ratios Yrs 1 - 5** **2.66****2.81****2.90****2.95****2.99****Internal Rate of Return** **21.7%**

CAMBRIA SUITES, L.A.						
CAPITALIZATION	% Capital	Capital	% Equity	Terminal Cap Rate	Beg. Yr 6 Value	
Preferred Investor (Choice)	16.0%	5,000,000	27.8%	9.5%	38,143,450	
New Markets Tax Credit (net)	9.6%	3,000,000	16.7%			
Developer (SSHG)	32.0%	10,000,000	55.6%			
EQUITY	57.6%	18,000,000	100.0%			
DEBT	42.4%	13,252,000				
TOTAL	100.0%	31,252,000				

Capital Account Balances					
Yr 0	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5
5,000,000	5,000,000	4,276,207	3,428,919	2,483,277	1,463,121
10,000,000	10,000,000	9,276,207	8,428,919	7,483,277	6,463,121

CASH FLOWS		Yr 0	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	TOTALS
Net Operating Income		0	3,122,758	3,297,372	3,409,348	3,463,813	3,518,085	16,811,376
Debt Service	7.5%	0	(1,175,173)	(1,175,173)	(1,175,173)	(1,175,173)	(1,175,173)	(5,875,867)
Cash Flow after Debt Service		0	1,947,585	2,122,199	2,234,174	2,288,640	2,342,912	10,935,509
Capital Event (sale & debt payoff)							25,944,356	25,944,356
WATERFALL		0	1,947,585	2,122,199	2,234,174	2,288,640	28,287,268	36,879,866
Preferred Return (Choice)	10.0%	0	(500,000)	(427,621)	(342,892)	(248,328)	(146,312)	(1,665,152)
Return of Capital (Choice)	50.0%	0	(723,793)	(847,289)	(945,641)	(1,020,156)	(1,463,121)	(5,000,000)
Return of Capital (Developer)	50.0%	0	(723,793)	(847,289)	(945,641)	(1,020,156)	(6,463,121)	(10,000,000)
Net Cash Flow		0	0	0	0	0	20,214,713	20,214,713
Developer Sharing Ratio/Amount	100.0%	0	0	0	0	0	(20,214,713)	
IRR		Yr 0	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	YIELD
Yield (Equity)	(10,000,000)	0	723,793	847,289	945,641	1,020,156	26,677,834	20,214,713
Yield (%)		0.0%	7.2%	8.5%	9.5%	10.2%	266.8%	20,214,713
IRR		21.7%						

MORTGAGE		Loan		Sale		
Mortgage		13,252,000				
Interest Rate		7.50%				
Amortization	25	300	25			
Annual Pmt		1,175,173				
		Yr 1	Yr 2	Yr 3	Yr 4	Yr 5
Beg Balance		13,252,000	13,070,727	12,875,858	12,666,374	12,441,179
Interest	Est.	(993,900)	(980,305)	(965,689)	(949,978)	(933,088)
Principal	Est.	(181,273)	(194,869)	(209,484)	(225,195)	(242,085)
End Balance		13,070,727	12,875,858	12,666,374	12,441,179	12,199,094

GAIN	
Yr 6 NOI (est)	3,623,628
Terminal Cap Value	38,143,450
(Mtge Bal)	(12,199,094)
(Sale Costs)	(1,144,303)
Gain on Sale	24,800,053

Total Return [SSHG]	30,214,713
Total Return % [SSHG]	302%

Session Evaluation



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