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**HOSPITALITY** Courtyard Marriott rooms priced at \$361,000 per unit

# MIAMI BEACH HOTEL SELLS FOR \$95 MILLION

by Eric Kalis  
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Institutional investors are becoming increasingly aggressive in pursuit of South Florida hotels — especially in the highly desirable Miami Beach market — and there are no signs the dealmaking is slowing.

In the region's latest pricey hotel sale, the Courtyard Miami Beach Oceanfront has changed hands for \$95 million, according to Jones Lang LaSalle Hotels, which brokered the transaction. The sale has not been recorded by Miami-Dade County.

## COURTYARD MIAMI BEACH OCEANFRONT

■ **Address:** 3925 Collins Ave., Miami Beach

■ **Buyer:** Hersha Hospitality Trust, Philadelphia

■ **Seller:** Beta Epsilon Cadillac, managed by Economos Properties of Boca Raton

■ **Price:** \$95 million, or more than \$361,000 per room

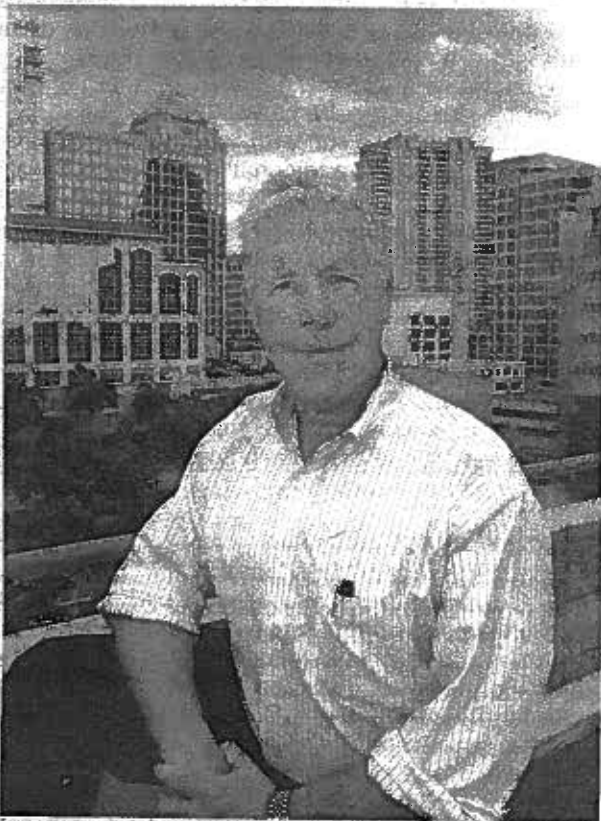
■ **Other details:** Originally the Cadillac Hotel, the 263-room Art Deco-style hotel was converted in 2004 by Beta Epsilon into a Courtyard.

Hersha Hospitality Trust of Philadelphia is the buyer, according to Jones Lang, which announced the closing Friday.

Calls to Robert Hazard, Hersha's vice president of acquisitions, were not returned by deadline.

Hersha announced earlier this month that it had the 263-room Art Deco-style hotel at 3925 Collins Ave. under contract. The hotel was previously called the Cadillac Hotel.

The seller, Beta Epsilon Cadillac, redeveloped the property into a Courtyard in 2004. Beta Epsilon is managed by Boca Raton-based Economos Properties. An Economos spokeswoman said the company had no comment.



MELANIE BELL

**F. Thomas Godart, managing director of Godart Florida Real Estate Investments in Fort Lauderdale, says Miami Beach is "one of the hottest markets in the country."**

The sale is more evidence the South Florida hospitality market "is on fire," according to Gregory Rumpel, managing director for Jones Lang LaSalle Hotels.

"We are in such a good position from a tourism standpoint, being a warm climate destination for the domestic market," he said. "There's a tremendous

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## HOTEL: Warm climate destination is very good for domestic tourism

800-pound gorilla called Brazil south of us. We're getting an influx of investment from there, which translates to a lot of bodies that haven't been here" previously.

Hersha also acquired a parcel that is part of the Courtyard site with room to develop as many as 90 additional rooms, Rumpel said.

He referred questions about the company's development plans to Hersha executives.

Hersha "is heavily exposed in the Northeast, so this was a strategic buy to expand their footprint," Rumpel said.

Hersha owns 79 hotels in New York, Washington, Boston, Philadelphia and Los Angeles. The Miami Beach acquisition is its first in Florida.

“We are in such a good position from a tourism standpoint, being a warm climate destination for the domestic market. There's a tremendous 800-pound gorilla called Brazil south of us.”

GREGORY RUMPEL  
MANAGING DIRECTOR  
JONES LANG LASALLE  
HOTELS

### MAJOR PLAYERS LOOKING

At more than \$361,000 per unit, the price is aggressive for a Courtyard by Marriott property but in line with what institutional investors have paid for other South Florida hotels, according to hospitality consultant Guy Trusty, president of Lodging & Hospitality Realty Advisors in Coral Gables. He was not involved in the transaction.

"We're only seeing these numbers from institutional buyers," he said.

The strong pricing has not carried over into medium- and lower-grade hotel properties, Trusty said, noting, "It's not going to make much difference in terms of distressed properties in the pipeline."

Beta Epsilon revitalized the property and successfully repositioned it as a Marriott flag, Trusty said.

"Nick Economos knows the franchise system in and out," he said. "Back then, the challenge was much higher than it is today."

The Courtyard sale ranks among the region's top hotel deals of 2011.

The priciest transaction was April's \$130 million sale of the Royal Palm Hotel at 1545 Collins Ave. in Miami Beach. Only seven months after acquir-



RICHARD M. BROOKS

Lodging & Hospitality Realty Advisors president Guy Trusty said hotel deals have been gaining strength since January 2010.

ing the 407-room hotel at a foreclosure auction for \$126 million, Sunstone Hotel Investors sold the Royal Palm for a nearly \$4 million profit.

Other notable 2011 deals include April's \$61 million sale of the Continents Oceanfront Hotel

1825 Collins Ave. Miami Beach and the \$36.5 million sale of Viceroy Miami at 48 Brickell Ave. in May.

"All of this was a result of the recovery in hotel revenues," Trusty said. "As of January 2010, the bottom was hit for the hotel recession. The statistics have been improving since."

Miami Beach is "one of the hottest markets in the country," according to F. Thomas Godart, managing director of Godart Florida Real Estate Investment in Fort Lauderdale.

He is involved with an Miami Beach hotel development project he said is generating "tremendous amount of attention" from potential investors. He wouldn't disclose the project or possible investors.

"All the major players are looking at Miami Beach," Godart said.

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