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Outside the Region: Cronheim Hotel Capital handles financing for hotel acquisition

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Washington, DC Cronheim Hotel Capital (CHC) has secured financing for the acquisition and repositioning of the Westin at BWI Airport.

The non-recourse bridge loan funded 72% of the total acquisition costs—purchase, PIP and closing costs—for a three-year term with two one-year extension options. The floating rate loan was priced at Libor plus 400 bps. CHC worked on behalf of Frontier Development, a local hotel investor/developer.

The 260-key BWI Westin was built in 2007 and features 10,850 s/f of flexible meeting space.

Despite being the newest full-service hotel by an average of nearly 20 years and the only upper upscale property in the market, the Westin was performing at 4th place in its comparable set of six hotels. Frontier saw an opportunity to improve the property's revenue management strategy to capitalize on the upcoming PIP and position the property as the market rate leader, reflecting its superior brand and product. Additionally, Frontier and its third party management company, Crestline Hotels & Resorts, identified a number of operational efficiencies they can employ to reduce expenses and increase NOI.

David Turley said, "We are pleased to have executed our first assignment with Evens Charles and Frontier Development, one of the top up-and-coming dealmakers in the industry. We took the time to understand the client's vision and needs and then found a lender who saw past the property's recent performance to its real potential. Once they believed in the deal, we were able to negotiate very attractive debt terms with our lender."

Evens Charles said, "These are the guys you want in the trenches with you. They got me a great deal and then worked tirelessly through lender diligence, loan doc challenges and seller complications to get the deal closed. I'd recommend them to anyone."

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