

# Real Estate Journal

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## Starwood Hotels & Resorts launches redevelopment plan for Sheraton Manhattan



Sheraton Manhattan at Times Square

Starwood Hotels & Resorts Worldwide, Inc. launched a redevelopment plan for the 665-room Sheraton Manhattan at Times Square. The company is exploring a variety of options to maximize the long-term value of this significant asset which occupies 395,000 s/f of real estate, covering a full city block, bounded by Broadway, Seventh Ave. and 51st and 52nd St. near Times Square. The redevelopment plans will include a hotel flying one of Starwood's brand flags, in possible combination with retail and office uses. Given the hotel's incomparable footprint, Starwood has received considerable interest from investors and developers to partner on the project and the company has assembled a project team to assist in evaluating a full range of options and partners over the coming months.

As the hotel is redeveloped, Starwood will remove the Sheraton flag and operate the hotel as a non-branded Starwood property beginning in April. The hotel will remain open as the company finalizes redevelopment plans, and will continue to be a member of the Starwood Preferred Guest loyalty program.

The redevelopment of the Sheraton Manhattan is illustrative of Starwood's growth plans in NYC. Starwood has more hotels in NYC than anywhere in the world and currently operates 13 hotels here with plans to open six more in 2010, including two new high-profile Sheraton properties in Brooklyn and Tribeca, the W New York Downtown and the Four Points by Sheraton Long Island City. In addition, the global hotel giant will debut its two newest brands in the Big Apple with the openings of Aloft New York Brooklyn and Element New York Times Square West, bringing its total number of NYC properties to 19. In addition, the Sheraton New York Hotel & Towers, the Sheraton brand's flagship New York property, will launch a \$90 million renovation later this year.

"Starwood is committed to maximizing the value of its owned assets around the world. The Sheraton Manhattan occupies a highly sought after piece of real estate in a prime location, and we're excited about the prospect of redeveloping it into a flagship Starwood hotel," said Simon Turner, president of global development for Starwood.

Beyond New York City, Starwood expects to open 80-100 high quality new-build and conversion hotels in 2010, coming off of the 83 opened and 77 new deals signed in 2009.