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## **Benson Elliot, Walton Street and Schrodgers check out of Prime Europe Hotels portfolio**

### **- Sale of Sheraton Warsaw marks final exit, delivering >€600 m in proceeds –**

A joint venture between UK-based Benson Elliot and US-based Walton Street Capital, L.L.C. (“Walton Street”), in partnership with Schrodgers (the “JV”), has sold the Sheraton Hotel in Warsaw to Patron Capital (“Patron”), the pan-European institutional investor focused on property-backed investments. The transaction marks the eighth and final disposal from the Prime Europe Hotels (the “Portfolio”), a portfolio of eight full-service hotels across seven European gateway cities acquired in October 2015.

The eight freehold properties total 2,308 rooms in Venice, Paris, Milan, Rome, Warsaw, Nuremberg and Brussels, and are located adjacent to key demand generators, either in metropolitan city centres, high-growth commercial corridors or leisure destinations.

The JV has unlocked significant value through the deployment of bespoke capital expenditure programmes and asset management initiatives, including room upgrades, management contract renegotiations, and operations and revenue management optimisation. The weighted hold period across the portfolio was 18 months and the assets have all been sold ahead of underwriting, delivering over €600 m in proceeds to investors.

The Sheraton Warsaw is a five star hotel, with 350 bedrooms and is located in the centre of the Polish capital. Under its ownership, the JV deployed c. €6 million to refurbish rooms and common areas, and secured planning permission for an additional ground floor retail unit.

#### **Marc-Olivier Assouline, Benson Elliot Principal and Director of Hotels, said:**

“This has been a highly successful undertaking where we joined forces with two long-standing partners, identifying a compelling opportunity with significant value-add potential, which we have now delivered in an efficient timeframe. We achieved attractive pricing for all the assets, taking advantage of the increasing institutional appetite for hotels and delivering superior returns for our investors.”

#### **Stephane Obadia, Schroder’s Head of Hotel Investment, said:**

“The acquisition of the portfolio has been a challenging but unique opportunity to bring a new life to one of the most attractive collection of hotels across Europe. While Schrodgers will continue to manage the repositioning of the most significant properties, this transaction concludes a very successful collaboration with our partners, built on a common vision and a high level of trust put on our capacity to execute such changes.”

#### **Keith Breslauer, Managing Director of Patron Capital, said:**

“While Patron’s focus is on delivering value through opportunistic investments in the UK and Europe, we continue to see opportunities for value in the CEE. The Sheraton Warsaw Hotel



presented one such a compelling investment case. Not only is the hotel stable and income-producing at the point of acquisition, but we see significant potential for further upside following an asset management programme to position it as one of the leading properties in Warsaw. Underpinned by a rapidly developing Warsaw market, Poland offers attractive fundamentals that mean we will always consider transactions that are supported by collaborating with a strong joint-venture partner. We look forward to working with Schroder Real Estate Hotels to drive further value at this trophy asset.”

**ENDS**

**For further information:**

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**About Benson Elliot:**

Benson Elliot Capital Management LLP, founded in 2005, is a leading independent private equity real estate fund manager, with c. €2.5 bn of managed equity. The UK-based, FCA regulated firm has a pan-European investment platform and has transacted in the UK, France, Germany, Italy, Spain, Central Europe and Scandinavia.

Benson Elliot holds a diversified real estate portfolio, currently comprised of office, retail, hotel and residential assets. The Benson Elliot team has experience in delivering superior risk-adjusted returns through active and innovative investment management, investing successfully through market cycles.

**About Walton Street:**

Walton Street Capital, L.L.C. is a private equity real estate investment firm based in Chicago that sponsors equity and debt investment funds. Since its founding in 1994, affiliates of Walton Street have received total equity commitments of \$12 billion from public and corporate pension plans, foreign institutions, insurance companies and banks, endowments and foundations, trusts, and high net worth individuals. Through its affiliates, Walton Street has invested and/or committed to invest in more than 350 separate transactions in U.S. and international real estate, including the development and acquisition of office, hotel, retail, industrial, multi-family, for-sale residential, senior and student housing, gaming and other assets through both individual,



portfolio and company-level transaction.

**About Schroder Real Estate Hotels :**

Schroder Real Estate Hotels (formerly known as Algonquin Management Partners), part of Schroder Real Estate (€17.3bn of gross real estate assets under management), is a European hotel investor and operator which currently owns 49 assets (mainly 4\* and 5\*) in France, Germany, UK, Italy, Belgium, Poland, Switzerland and Spain for a total value of €2.1 billion and more than 8,000 rooms.

Schroder Real Estate Hotels is one of the leading companies in Europe for Hotel Investments and Hospitality Asset Management with offices in Paris, London and Brussels and a team of recognized international hoteliers and specialists in European hotel real estate.