



## Hotel Asset Managers Emerge as the New Breed of Experienced Hotel Receivers

### CHM Experiences a Surge in Interest From Hotel Lending Community

BEVERLY, Mass., Jan. 21 /PRNewswire/ -- [Capital Hotel Management](#) (CHM), a leading hotel asset management and investment advisory firm, today reported it expects to see an exponential leap in demand for hotel asset management services from the lending community as they look for [qualified hotel receivers](#).

"The lending community has reached the stage where they no longer can delay foreclosure issues," said [Chad Crandell](#), President of CHM. "We certainly will see more foreclosures in 2010 than any year since the RTC days of the early nineties. We have taken on more receivership assignments in the fourth quarter of 2009 than we have in the past decade. This is just the beginning of a trend that we anticipate will last beyond 2010, and CHM is well prepared to meet the workout needs for lenders with hotels consistent with our historical asset management portfolio."

"The good news for lenders is that there are an increasing number of hotel receivers in the market today. The bad news for lenders is that there are an increasing number of hotel receivers in the market today, making it often difficult to identify a truly qualified hotel advisor amidst a wide-range of disciplines touting services to attract the lending community," said [Ken Wilson](#), CEO of CHM. "We are encouraged by the response CHM has received from the lending community, suggesting that lenders are weighing their options carefully and understand the value of a qualified, independent asset management firm and the transferability of skills and services asset managers bring to the [receivership role](#)," Wilson noted.

As the number of distressed hotel assets continues to rise, many with foreclosure eminent, an increasing number of hotel lenders will be transitioning to a much more active ownership role within an extremely stressed environment. The current lack of available financing, coupled with a continued decline in performance projected for at least the first half of 2010, could likely push the transaction window well into 2011 or 2012. The pressing decision for lenders foreclosing on properties today will be to sell short or commit to a potentially longer hold period. In either case, special servicers and lending groups are increasingly enlisting the expertise of hotel-specific experts, of which hotel asset managers are top of the list. Experienced hotel asset managers are accustomed to stepping in and deploying strategies to quickly stabilize an operation, while unraveling the myriad of issues that may be impacting performance and developing an investment strategy to optimize asset value.

"It is not surprising that we are seeing an uptick in demand for asset management services, for all property types but particularly within the mixed-use segment. These assets are extremely complex and involve many stakeholders that need to be managed in addition to the core hotel operation. From a hotel asset management perspective, this is exactly what we do and have been doing for over a decade," commented Crandell.

CHM is actively engaged in providing [lenders services](#) both pre- and post-foreclosure, including asset managing a luxury, mixed-use destination resort property, a mixed-use luxury urban hotel, as well as serving as the court appointed receiver and lender advisor for several branded city-center properties. CHM anticipates many more partnerships with the lending community and those who advise them, particularly given the complex nature of the distressed assets that are surfacing.

The outlook for 2010 is still somewhat of a topic for debate, with some industry prognosticators projecting continued declines, while others expect signs of a recovery late in the year. Regardless, it will be a long road ahead for lenders taking back hotels. The good news is there is help and the modern-day receiver, the hotel asset manager, is well-equipped to advise lenders as many of the core principles of asset management apply regardless of the ownership – the focus being minimizing risk, stabilizing the asset and implementing strategies to optimize asset value.

"CHM has extensive [experience](#) in asset managing hotels at varying stages of transition and key executives have partnered with the lending community for nearly two decades, developing [strategies](#) to recover collateral value and execute a timely exit successfully on behalf of a wide variety of financial institutions. The difference today is we have a dedicated team of highly skilled [professionals](#) with more experience than we had 20 years ago," Wilson said.

[Capital Hotel Management](#) (CHM) is the largest independent [hotel asset management](#) company operating in the U.S. today, actively overseeing hotel portfolio and single-asset [investments](#) on behalf of hotel owners, investors and lenders for more than a decade. Hotels under asset management are comprised of urban landmark properties, high-profile destination resorts and convention headquarter hotels totaling more than 13,500 rooms operating in major [markets](#) across the U.S. CHM is an investment adviser registered with the SEC, a Qualified Professional Asset Manager (QPAM) and has represented investor interests and evaluated transactions totaling more than \$15 billion. For more information on CHM, visit their website at <http://www.chmhotel.com> or contact them at (978) 522-7000.

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