

# CenterSquare Investment Management Announces Sale of Dulles Airport Hotels



***Sale follows successful recapitalization and strong operating performance of two adjoining hospitality properties in vibrant submarket.***

## Transaction Overview

In October 2016, CenterSquare made an off-market preferred equity investment into two adjoining Hilton brand hotels in the vibrant submarket surrounding the Dulles Airport. The properties consisted of a 154-room Embassy Suites and a 90-room Homewood Suites in a region that was well positioned to capture considerable demand from nearby data centers and technology companies in need of hotel rooms to house traveling employees. The investment supported a successful recapitalization for a best-in-class owner-operator with a strong relationship with Hilton Hotels, at a compelling basis.

During the term of the investment, the hotels meaningfully outperformed original estimates, with net operating income exceeding four-year projections within the first two years. This strong performance helped insulate the properties during the COVID-19 shut-down and demonstrated long-term operating capabilities post-pandemic. The sale was completed by CenterSquare's affiliate at a price that generated a strong return in-line with original underwriting.

"Throughout CenterSquare's 30-year track record in private real estate, we have developed an investment approach that identifies opportunities that are positioned to perform throughout various economic cycles," said Chad Burkhardt, Managing Director and Portfolio Manager, CenterSquare Private Real Estate. "Our focus on people and operational expertise, disciplined use of leverage, as well as our high-quality bias – both on the physical real estate and location – continue to serve our investors well as demonstrated with this most recent transaction."

For more information about CenterSquare's Value-Added Private Equity Real Estate Investment Strategy, please contact:



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