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Starwood Capital Group Sells 1 Hotel South Beach To Host Hotels & Resorts

Hotel Continues To Be Managed By SH Hotels & Resorts

MIAMI, FL (February 19, 2019) – Starwood Capital Group, a leading global private investment firm, and Lefrak, a preeminent, family-owned property company, announced today that a controlled affiliate sold the 1 Hotel South Beach in Miami Beach, Florida for \$610M, which translates to \$1.42M per key. This 429-room hotel was the very first 1 Hotel, Starwood Capital’s nature-inspired lifestyle brand that focuses on sustainability both in its design and in its operations. SH Hotels & Resorts, an affiliate of Starwood Capital Group, will continue to operate and manage the property as 1 Hotel South Beach.

Starwood Capital Group acquired the beachfront property in February 2012 and over the next three years completed a gut renovation that completely transformed the tired, 1970s-style hotel and attached 155 condominiums into a LEED Silver Certified building featuring stunning natural materials and lush landscaping. The renovation included: drastically improving the four pool decks, rooftop bar and other common areas; and developing a 14,000 square foot gym and a 5,500 square foot Bamford Haybarn Spa (the first in the U.S.). This renovation repositioned the property as one of the premier hotel and residential destinations in South Beach. The hotel won numerous industry design awards after the extensive renovation, which were followed by many guest awards including in late 2018 being voted the 7th best hotel in the United States by Condé Nast Traveler’s more than 400,000 voters, and receiving the Forbes Travel Four-Star rating.

1 Hotels can currently be found in Manhattan, Brooklyn, New York and South Beach, Florida and will be opening in Los Angeles in the second quarter this year. The brand will continue its expansion, with a robust pipeline both domestically and internationally.

“We’re excited to partner with Host Hotels to continue to expand the 1 Hotels brand. Host is the gold standard of quality institutional ownership,” said Barry Sternlicht, Chairman and CEO, Starwood Capital Group. “We wanted a partner who would continue to invest in the hotel’s future, our new amenities in planning, and in our green mission. It is rewarding to launch the first mission driven hospitality brand and have it be recognized by discerning luxury travelers and by the investment community.”

“1 Hotel & Homes South Beach has won public acclaim and become a phenomenal success because of Barry Sternlicht and an extremely talented team of people who combined a five-star location with a creative new brand to deliver a hotel unlike any others in the market,” said Richard LeFrak, Chairman of LeFrak. “I have no doubt 1 Hotel South Beach and the unique experience it offers will continue to thrive.”



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“We are excited about the opportunity to acquire one of the absolute best luxury hotels in the country and partner with SH Hotels & Resorts as our operator. 1 Hotels is redefining the luxury hotel industry and we could not be more proud to own its flagship hotel. We look forward to being a big part of the brand’s future growth,” said James Risoleo, President and Chief Executive Officer, Host Hotels & Resorts.

Hodges Ward Elliot, a leading privately-held real estate firm, was the seller broker for the transaction.



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About Starwood Capital Group:

Starwood Capital Group is a private investment firm with a core focus on global real estate, energy infrastructure and oil & gas. The Firm and its affiliates maintain 13 offices in five countries around the world, and currently have approximately 4,000 employees. Since its inception in 1991, Starwood Capital Group has raised \$45 billion of equity capital, and currently has in excess of \$60 billion of assets under management. The Firm has invested in virtually every category of real estate on a global basis, opportunistically shifting asset classes, geographies and positions in the capital stack as it perceives risk/reward dynamics to be evolving. Over the past 27 years, Starwood Capital Group and its affiliates have successfully executed an investment strategy that involves building enterprises in both the private and public markets. Additional information can be found at www.starwoodcapital.com.

About 1 Hotels:

As a luxury lifestyle hotel brand inspired by nature, 1 Hotels cultivates the best of sustainable design and architecture, together with extraordinary comfort and an unrivaled level of service. 1 Hotels, which launched in 2015 with the opening of exclusive properties in Miami’s South Beach and Manhattan’s Central Park, followed by Brooklyn, located on Pier 1, in February 2017, is inspired by a simple idea: those who travel the world also care about it. 1 Hotels upholds this vision by channeling nature through design and culinary partnerships, while connecting with the local community and taking sustainable steps to make a big difference. Additional information can be found at www.1hotels.com.

About SH Hotels & Resorts:

SH Hotels & Resorts, an affiliate of global private investment firm Starwood Capital Group, is a hotel brand management company that operates 1 Hotels, a nature-inspired lifestyle brand that launched in 2015 with properties in South Beach and Manhattan; and Baccarat Hotels & Resorts, a luxury brand that made its debut in March 2015 with the opening of its flagship property in New York, with projects under development in Doha and Bordeaux. Leveraging its marketing, design, operational and technological expertise, SH Hotels & Resorts is the force behind some of the most groundbreaking and dynamic hotel brands in the world. Additional information can be found at www.shhotelsandresorts.com.

About Host Hotels & Resorts:

Host Hotels & Resorts, Inc. is an S&P 500 company and is the largest lodging real estate investment trust and one of the largest owners of luxury and upper-upscale hotels. The Company currently owns 88 properties in the United States and five properties internationally totaling approximately 52,000 rooms. The Company also holds non-controlling interests in 6 domestic joint ventures. Guided by a disciplined approach to capital allocation and aggressive asset management, the Company partners with premium brands such as Marriott®, Ritz-Carlton®, Westin®, Sheraton®, W®, St. Regis®, Le Méridien®, The Luxury Collection®, Hyatt®, Fairmont®, Hilton®, Swissôtel®, ibis® and Novotel®, as well as independent brands in the operation of properties in over 50 major markets. For additional information, please visit the Company’s website at www.hosthotels.com.



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