

HREC CAPITAL MARKETS GROUP ARRANGES SALE OF HOTEL MORTGAGE LOAN PORTFOLIO



(Denver, CO; San Diego, CA; Atlanta, GA) – HREC Capital Markets Group, the dedicated capital markets team within HREC Investment Advisors, is pleased to announce it arranged the sale of a portfolio of non-performing hotel mortgage loans on behalf of a large regional bank. The private buyer purchased the loan portfolio secured by hotel assets in the southeastern United States as part of their hotel asset and loan growth strategy.

The negotiations were led by Michael Salloway, Vice President in HREC's Atlanta office, Mike Armstrong, Principal and Head of Capital Markets and Greg Porter, Senior Vice President – Capital Markets, both in HREC's San Diego office.

"This was a fast-paced transaction with strong pressure to close by year-end. The notes are secured by premium-branded select service hotels in very strong southeastern markets. The buyer stepped up and the total timeline of the transaction from start to close was less than three weeks," said Michael Salloway, Vice President.

"This transaction is an example of hotel lenders' strategy to strengthen their balance sheets by liquidating non-performing loans. We expect there to be significant loan sale activity this year due to ongoing softness in hotel demand as a result of the pandemic. Although we expect hotels to achieve a robust recovery in the coming years, there will be hotels that struggle in the near-term forcing lenders to consider note sales and foreclosures", commented Greg Porter, Senior Vice President.

"We have created a specialized hotel note disposition practice that utilizes our national brokerage and mortgage brokerage platforms and our exclusive hotel focus. Our Capital Markets team leverages HREC's comprehensive network of national, regional, and local hotel investors to provide a competitive loan sale process to ensure successful execution for our lender clients", stated Mike Armstrong, Principal and Head of Capital Markets.

ABOUT HREC®:

HREC® is the nation's leading lodging and gaming real estate advisory firm specializing in property sales, mortgage brokerage, loan sales, equity/JV structuring, consulting including market studies, and litigation support. With offices throughout North America, HREC® is distinguished by unwavering commitment to client service and success through its team approach, intellectual capital, and hotel/casino specialization.

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