

This site uses cookies. By continuing to browse the site you are agreeing to our use of cookies. [Find out more here](#) [Close](#)


Search

[Newsletters](#) [Log In](#) [Join](#)

[Data](#) [Digital](#) [Ownership](#) [Operations](#) [Regions](#) [Profiles](#) [Opinions](#) [Marketplace](#)



Does your staff need a boost in their hotel knowledge?



LATEST NEWS

3

3

3

3



CHM adding select-service flair to portfolio

January 17 2014

Asset manager Capital Hotel Management is following its clients into the select-service world, President Chad Crandell said.

Highlights

- CHM is following clients into the select-service space.
- The company recently signed on to asset manage three Florida select-service hotels.
- CHM's portfolio will remain weighted toward full-service properties.

By Shawn A. Turner
Finance Editor
Shawn@HotelNewsNow.com

BEVERLY, Massachusetts—Asset management company Capital Hotel Management is drifting further into the world of select-service hotels.

The company in December announced it had been retained to asset manage three select-service hotels in Florida:

- the 104-room Hampton Inn & Suites Ft. Lauderdale Airport (owned by The Lightstone Group);
- the 127-room Hampton Inn Miami-Airport West (owned by Lightstone); and
- the 122-room Hilton Garden Inn Orlando East/UCF Area (owned by AVP Advisors).

Renovations totaling approximately \$4 million are planned at all three hotels, CHM President Chad Crandell said. The goal is to have the renovations complete by the end of June 2014. The Hilton Garden Inn renovation is expected to cost approximately \$2 million with the other two renovations expected to come in at approximately \$1 million.

Crandell said he is sensitive to the fact that the first quarter in Florida is typically a high-visitation period, so the goal is to have as few rooms out of service as possible.

"We're trying to get this done as quickly as possible," he said.

CHM previously was predominantly a manager of full-service properties, Crandell said. But now CHM is following its clients as they look to add more of a select-service flavor to their own portfolios—a recurring trend in the hotel industry of late.

There are a half dozen select-service hotels in CHM's portfolio, Crandell said. While CHM's portfolio will remain weighted toward full-service hotels, he said the company, which has sliver ownership in approximately a half dozen hotels, is looking to increase its select-service presence.

He said the number of future select-service hotels the company picks up will be driven by the market and "where our clients are taking us."

"We're getting more involved in there," he said. "We like the select-service space. Our investors seem to have a strong appetite in that area." Overall, CHM has about 30 hotels in its portfolio comprising nearly 15,000 rooms from Honolulu to Washington, D.C.

Info and tips to help independent hotels.

Hotel News Now

Independent Insights

TRENDING

[MORE](#)


How to build North America's tallest hotel

Google confirms Web address breach

The last 7 predictions for 2014

8 resolutions for hotel management success



Weighing pros, cons of new Google tools



Red Lion's new CEO to continue momentum

Pulse Report
Diagnosing your property's performance

Know your industry:
Providing news 

ice sapphire™
It's More Than Just a Pretty Interface
From Intelity - www.intelitycorp.com

VIDEO

[MORE](#)


Optimizing revenue strategies

CEO shares Kessler Collection overview

Crandell said the potential of strong cash-on-cash returns in select service is one factor that makes the sector attractive. With full-service properties, investors generally don't see a cash-on-cash return every year. Rather, the investors get their money upon refinancing or selling, he said.

But select-service hotels offer the possibility of obtaining a return on the initial equity put into the deal, often in the first year.

"That becomes very attractive for a lot of investors," Crandell said.

Still, there are benefits to be had with full-service properties, he said, particularly as it relates to transacting. It remains difficult to get the numbers to work out when it comes to developing full-service hotels, Crandell said.

Full-service development is likely to remain stalled until rates reach the previous peak, he added. In many markets, he said, that's still a year or two away.

"Where the opportunity lies is in existing hotels and the acquisition of full-service hotels" for below replacement cost, he said.

COMMENTS 0 [Show All](#)

Login or enter a

name **Post Your**

Comment

Check to follow this thread via email alerts (must be logged in)

(4000 characters max)

Comments that include links or URLs will be removed to avoid instances of spam. Also, comments that include profanity, lewdness, personal attacks, solicitations or advertising, or other similarly inappropriate or offensive comments or material will be removed from the site. You are fully responsible for the content you post. The opinions expressed in comments do not necessarily reflect the opinions of HotelNewsNow.com or its parent company, Smith Travel Research and its affiliated companies. Please report any violations to our [editorial staff](#)

Submit Comment



Marriott's offer Kessler couldn't refuse



Kesslers talk raising rates



Hampton's Forever Young Initiative



LATEST NEWS

PANKs spell potential as next emergent niche

CHM adding select-service flair to portfolio



Marriage equality creates new hotel market

Temperatures chill weekly performance results

Slow and steady growth in Canada for 2014

Greg Mount a good get for Red Lion

	<p>Smart Travel Analytics North America 2014 11-12 February 2014, The New Yorker Hotel, New York City</p>	<p>SOCIAL MEDIA & MOBILE STRATEGIES FOR TRAVEL 2014 March 17-18, San Francisco</p>	 <p>CLICK HERE ▶</p>
--	--	---	--------------------------------

- | | | | |
|---|---|--|--|
| <ul style="list-style-type: none"> Log In Join Advertise Subscribe Hotel News Now mobile About Us Contact Us Contact STR/STR Global | <ul style="list-style-type: none"> Cookies Policy RSS Twitter Facebook LinkedIn Events Hotel Data Conference Hotel Data Presentations | <ul style="list-style-type: none"> Ownership Data Operations Opinions Video Technical Support Corrections Policy Transparency Policy | <p>Contact Us
Hotel News Now
18500 Lake Rd.
Suite 310
Rocky River, Ohio 44116</p> |
|---|---|--|--|

