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CHM Forms CHM Partners to Acquire Hotels, Roger Clark Joins as Managing Partner

BEVERLY, Mass., June 21 /PRNewswire/ -- [Capital Hotel Management](#) (CHM), a leading hotel investment, advisory and asset management firm, today announced that it has formed CHM Partners LLC, a new division of the company, to acquire hotels primarily as a co-investor with other equity partners.

Hotel real estate veteran [Roger Clark](#) has joined the partnership as a managing partner. He will be responsible for sourcing and negotiating acquisitions. The firm has assembled capital and plans to acquire both full-service and select-service hotels in urban and resort markets.

"When CHM was founded in 2000, investment was a major part of our strategy and execution and we successfully sold those owned assets near the top of the last cycle," said [Ken Wilson](#), CEO of CHM. "We believe the timing is right to return to our original strategic platform and to again invest in hotels to take advantage of the coming next cycle.

"In our conversations with our investment partners, many remain leery of jumping back into the hotel acquisition ring because of the difficulties of the past two years," Wilson noted. "While the industry appears to have bottomed out, there are still strong headwinds ahead that will require the creative, [strategic](#) thinking CHM brings to the acquisition and ownership process. We intend to back the confidence in our abilities with meaningful investment. Roger will lead our program in putting transactions together."

Clark has been actively involved in hotel real estate for more than 20 years. Most recently, he was senior vice president of acquisitions and development for HEI Hospitality where he was responsible for the acquisition of more than \$1 billion in hotel transactions. Prior to that, he was senior vice president, chief development officer for New Castle Hotels and was responsible for \$250 million in acquisitions and more than \$120 million of new construction projects. He holds a Masters of Hotel Administration from the Cornell School of Hotel Administration and a Bachelor of Arts from Bates College.

"Our investment strategy adds value to an investment group in two ways," he noted. "First, we have the capacity to bring investment dollars, but equally important, we bring a long history of experience and expertise in identifying assets that have a higher probability of upside potential, as well as the hands-on experience to negotiate pricing and debt financing. We also will develop the appropriate strategic plan and exit strategy for the properties. We have a proven track record of reducing risk and achieving higher returns."

"As we looked back over the past decade since our founding and toward our future, we concluded that the opportunity to invest in hotels is better now than at any time in this century, perhaps this generation," said [Chad Crandell](#), president of CHM. "We believe there will be an extraordinary window of opportunity to make acquisitions."

CHM will seek both individual hotels and portfolios, including iconic, urban hotels and resorts, as well as premium-branded, select-service properties. "Our target markets are primary U.S. cities, as opposed to secondary or tertiary markets," Clark said. "Our sweet spot is in the full-service sector with hotels of 200 or more rooms, preferably a complex and/or mixed-used asset that has substantial meeting space, F&B and amenities. We especially welcome turn-around opportunities, which can benefit from our expertise in renovation, repositioning and rebranding; we are not averse to assets with excess land. In the select-service sector, we are mostly interested in urban markets and premium portfolios."

CHM principals are in conversations with a number of potential joint-venture partners including trusts, private equity funds, endowments, pension funds, family estates and others who are investment-grade-oriented. "We have worked with many of these groups over the past decade," Crandell said. "In addition, CHM is a Registered Investment Advisor with the Securities and Exchange Commission and is designated as a Qualified Professional Asset Manager (QPAM) to serve our pension fund clients."

"The art of the deal is created before the documents are signed and where we add the most value, by properly evaluating the risks and negotiating beneficial and competitive contracts with the brands, lenders, management and construction companies," Wilson said. "That is the critical stage where the returns are going to be the most influenced. Our singular focus on hotels and resorts has allowed us to assemble a full complement of in-house experts for all aspects of hotel ownership. Each hotel in which we are involved is led by an asset manager with a proven track record in that property-type, such as a luxury resort, convention center hotel or boutique property, backed by a team of experts in critical fields as acquisition, construction, hotel operations, finance, risk management and lending. Over the past 10 years, our [portfolio](#) of approximately 75 hotels in which we have been involved has consistently outperformed their respective competitive sets in all phases of the cycle.

"During the recent downturn, CHM investors' hotels continue to significantly outperform the hotel industry, experiencing less than half the occupancy loss and only a third of the decline in average daily room rate," he added. "While NOI declined, our investors' properties were down 20 percent, compared to the industry average of 35.4 percent. Year-to-date, the firm's asset-managed hotels have recovered significantly faster than the industry."

Wilson noted that the company will remain actively engaged in third-party asset management, continuing to support investor clients that have come to rely on CHM's value enhancement strategies and oversight services. "CHM outperformed the market in the last cycle, and we are poised to outperform again in this one," he said.

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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 www.chmhotel.com or contact them at (978) 522-7000.

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