

## Hersha Hospitality Signs Agreement to Sell Atlanta Hotels

2006-10-23

---

Four Older, Non-core Midscale Hotels to be Sold for \$18.1 million

Hersha Hospitality Trust (AMEX:HT), a real estate investment trust (REIT) and owner of 63 nationally franchised, upper-upscale, upscale and midscale limited service and extended-stay hotels, today announced that the Company has signed definitive agreements for the sale of its four hotels located in the Atlanta, Georgia metro area for an aggregate price of \$18.1 million. The four hotels include the Holiday Inn Express-Duluth, the Comfort Suites-Duluth, the Hampton Inn-Peachtree City and the Hampton Inn-Newnan. The purchasers have completed their due diligence and have elected to proceed to closing, making their deposits non-refundable. These hotels have an aggregate total of 305 rooms and a median age of 11 years.

The sale is not expected to have an impact on the Company's earnings. The hotels are being sold for a forward 2006 capitalization rate of 8.3% inclusive of renovations and defeasance costs associated with the debt on the property.

Jay H. Shah, Chief Executive Officer commented, 'By disposing of these mature limited service hotels in non-strategic markets, which are expected to have a slower growth trajectory than the rest of our portfolio, we are able to focus our asset management attention on our core upscale and extended stay assets in the high barrier to entry and strong growth markets of the Northeast Corridor. Additionally, by selling these older hotels, which have a median age that is almost double that of our portfolio as a whole, we will reduce the age of our already young portfolio. The net proceeds of approximately \$6 million will be used to pay down a portion of our floating rate debt.'

The sale of these four properties is expected to be completed by the end of the fourth quarter 2006.

This article comes from Hotel News Resource

<http://www.hotelnewsresource.com>

The URL for this story is:

<http://www.hotelnewsresource.com/article24764.html>

© 1998 - 2007 Nevistas and the author.

Brought to you by Hotel News Resource

*Distribute your news on our Network*

See what all the buzz is about at:

[http://www.hotelnewsresource.com/Info-news\\_account\\_info.html](http://www.hotelnewsresource.com/Info-news_account_info.html)