



## Hersha Hospitality Trust Closes Acquisition of LodgeWorks Portfolio

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Hersha Hospitality Trust (AMEX: HT) today announced that the Company has completed its previously announced acquisition of seven extended-stay Hyatt Summerfield Suites hotels with a total of 1,005 suites from LodgeWorks, L.P.

The purchase price of approximately \$169 million was financed with interest only 10-year first mortgages totaling \$120 million from Goldman Sachs Commercial Mortgage, bearing interest at approximately 5.6% per annum and available cash on hand, including the Company's proceeds from the recently completed sale of its four Atlanta hotels. The total purchase price equates to a capitalization rate of 8.5 percent based upon estimated Net Operating Income (NOI) for the full year 2007 and a purchase price to Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA) multiple of 10.5 times based upon estimated EBITDA for the full year 2007. A reconciliation of this portfolio's estimated NOI less capital expenditure reserve and EBITDA to the most directly applicable generally accepted accounting principles (GAAP) measure is included at the end of this release.

The purchased portfolio of hotels includes four Hyatt Summerfield Suites in the Company's core Northeast and Mid-Atlantic markets comprising of a 159-suite property in White Plains, New York, a 128-suite property in Bridgewater, New Jersey, a 140-suite property in Gaithersburg, Maryland and a 144-suite property in Charlotte, North Carolina. Additionally, the Company will enter into two new markets with the purchase of a 164-suite Hyatt Summerfield Suites in Scottsdale, Arizona and two northern California Hyatt Summerfield Suites, including a 142-suite property in Pleasant Hill/Walnut Creek and a 128-suite property in Pleasanton, California.

The Company has funded an additional \$2.5 million for anticipated capital improvements at the properties. LodgeWorks will continue to manage the hotels and bear any additional costs for brand compliance.

Mr. Jay H. Shah noted, 'Across the last several years, we believe that we have assembled the highest quality upscale, limited service portfolio in the industry. We expect this young portfolio of market leading urban and extended stay hotels to provide strong growth in their high barrier-to-entry markets. We are confident that our efforts will deliver superior internal growth for the foreseeable future and our properties will weather economic cycles better than most other lodging portfolios.'

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