



Hotel Assets Favored By Asian Buyers

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LOS ANGELES—Asian investors are actively seeking hotel properties in the Los Angeles area. Most recently, Chinese investor XLD Group acquired the Los Angeles Marriott Hotel, a 487-room hotel. GlobeSt.com recently reported that XLD Group purchased the Los Angeles Airport Marriott Hotel for \$160 million from DiamondRock Hospitality Co. This is the group's second hotel acquisition in Los Angeles this year.

"The Los Angeles Airport Marriott will benefit greatly from the billions of dollars of improvements being put into the airport," Greg Karns, a partner at Cox, Castle & Nicholson, tells GlobeSt.com. "The hotel is situated between the planned rent-a-car

center, the Green Line-Purple Line connection. The fact that the same buyer and seller transacted a Marriott hotel the year before also helped to make the acquisition more efficient." Karns represented XLD Group in the transaction.

Although Asian investors are actively seeking hotel properties, that isn't to say that other asset classes aren't also favored. "Hotels are among the favored property types by Asian investors, but this is by no means exclusive," says Karns. "Today we closed an office acquisition in San Francisco for another Asian client, last month we assisted a Hong Kong group in the acquisition of two retail properties, and more and more of our clients from Mainland China are interested in ground-up developments."

Chinese investors are expected to invest \$780 million in Los Angeles alone this year and \$15 billion throughout the country. "We are definitely seeing increased demand among our Chinese clients for US real estate opportunities, but this does coincide with a market on the upswing, and renewed demand from local investment groups," says Karns. "We expect the level of investment from China to increase in 2015, which will lead to greater acceptance of more varied product types."