

THE WASHINGTON HOTEL

EIGHT ALBANY
FINANCIAL DISTRICT NYC



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THE OFFER

KSR has been exclusively engaged to solicit offers to purchase the fee simple interest in the Washington Hotel, a luxury hotel located in the center of the Financial District in Lower Manhattan by Battery Park, featuring 217 guestrooms including 11,000+ square feet of prime retail. The Hotel may be acquired unencumbered by both management and affiliation, presenting as an exceedingly rare opportunity for a new owner to pursue a management and affiliation strategy of its own choice. The hotel guest rooms, including event banquet, lobby bar and lounge areas which are all union while the retail/restaurant space is non-union.

The opportunity exists in one of the strongest performing commercial real estate markets in the world. The Hotel is defined by a spirit of independence and individuality, offering a unique and distinctive luxury experience at this prime location. Ample meeting spaces and a uniquely distinctive location make The Washington Hotel ideal for both business and leisure travel markets. The Washington Hotel at Albany Street is playing an important role in re-establishing the vibrant and diverse community of Lower Manhattan.



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VITAL INVESTMENT HIGHLIGHTS

- \$50M Liberty Bond Enhancement that run with the site and are transferable. A unique value proposition of the transaction, including the assumable benefits of the sub 3% Liberty Bonds maturing in October, 2042
- Opportunity to Acquire a Luxury Hotel in the Heart of the transformed Financial District
- Offered Fully Unencumbered of Both Management and affiliation
- Prominent Downtown Location with magnificent Panoramic views
- Fee Simple Real Estate with Unparalleled Optionality
- Leased Food and Beverage Operations
- Irreplaceable Live/Work/Play Location at the Crossroads of Lower and Midtown
- Located in One of the Premier upscale luxury Hotel, Residential and Retail Markets in the World
- Significant ROI Opportunities

LUXURY HOTEL WITH PANORAMIC VIEWS OF LOWER MANHATTAN

The Washington Hotel, 8 Albany Street at the corner of Washington Street is an architectural gem standing tall in the heart of Lower Manhattan's Financial District, offers unparalleled panoramic views of the bustling urban landscape. Erected in 2010, The Hotel area comprises a portion of the basement and ground floor, and floors 2-22 of the building. The Hotel contains 217 guest rooms and 11,118± square feet of leasable retail area within 143,281± square feet of gross building area.

The offering includes rights to the existence of a lease(s), hotel Lobby bar/restaurant retail condominium unit, a mezzanine level for dining, events with plenty outdoor seating on ground floor for F&B.

UNPARALLELED OPTIONALITY

The Washington Hotel offers investors an unparalleled opportunity to acquire a fully unencumbered, fee simple hotel. The opportunity exists for a new owner to reposition the asset in order to maximize true value.



GLOBAL BRANDING AND MANAGEMENT OPPORTUNITY

The property is offered fully unencumbered of brand and management. KSR has canvassed brands who have expressed interest in various options ranging from soft brands, lifestyle/boutique brands and hybrid residential concepts. Major global franchisers acknowledge the international desirability and demand of Manhattan, the intrinsic value of having presence in a central, high visibility location, and the absolute barriers to entry/lack of opportunities of this nature. The Washington Hotel has a substantial upside and unique opportunity for a new owner to benefit from enhanced performance and revenue.

The Hotel has been institutionally maintained and operated during the last decade and offers full optionality for a new investor to rebrand,, reposition, or repurpose the asset. The hotel can be a blank slate of opportunity - a jewel box set amongst lower Manhattan's vibrant market.



AS OF FALL, 2020, THERE WERE 3,500 ROOMS PERMANENTLY CLOSED AND ANOTHER 34,300 ROOMS TEMPORARILY CLOSED.

ACCORDING TO THE NEW YORK CITY HOTEL ASSOCIATION, "New York City's robust visitor numbers before the COVID-19 pandemic generated strong demand for hotel rooms, reflected by average occupancy rates that were among the highest of any urban market in the United States. With the pandemic, the hotel industry throughout the U.S. suffered and the New York City hotel market, experienced an even greater drop in demand relative to national levels. Several industry analysts project that the New York City tourism sector and related hotel demand will not recover until 2025. While a return to pre-COVID levels of tourism by 2025 is projected, it is dependent on a variety of factors that make predicting a recovery year challenging." The market has seen nearly 40,000 rooms go offline since the COVID pandemic began.

Several industry analysts and independent economic and real estate analyses project that the US hotel sector will likely recover by 2023; yet, because of its characteristics and specific dependencies, New York City's hotel sector will not recover until 2025. It is also assumed that recovery will be slower in the period 2021 – 2023 and will then accelerate before stabilizing to pre-COVID levels in 2025.

THE WASHINGTON HOTEL, located in New York City's Financial District (FIDI) in lower Manhattan and originally managed and operated by Marriot under its W brand. The W Hotel's relationship was terminated in February of 2020 just prior to the Covid Pandemic's Hotel Market closure in April 2020; and, the hotel remained closed until November of 2021. During this period the Hotel was maintained and Owner operated.



As the hotel's last full fiscal year of operations was 2019; a benchmark last full year of the hotel's statistics available prior to the Pandemic closure was reported as: Occupancy: 83.2%, Average Daily Rate (ADR): \$298.57 and Revenue per Room (RevPar): \$248.38 New York Hotel, and its Financial District hotels, began to reopen in 2021.

LIMITED SUPPLY – GROWING DEMAND

As of December 9, 2021, new hotel development, expansion, or enlargement within New York City requires issuance of a special permit (the "Special Permit") by the City Planning Commission ("CPC")

The amendment requires that all new hotel construction incorporates the use of unionized construction workforces, and the management staff of newly built hotels must adhere to collective bargaining agreements for hourly workforces in the operational departments (rooms, food and beverage, and property operations and maintenance). Any aspects of the operation that are leased to external operators, including a food and beverage outlet, are exempt from this requirement. Developers forecast that restrictions on hotel development would have a chilling effect. Conditions, so far, are pretty icy. Since the city required special permits to build a hotel, not a single application for one has been filed. While building permits have been sought and issued for new hotels, they appear to be for projects exempt from the law or grandfathered under the old rules.





UNDER-UTILIZED SPACE

There are approximately 6,500+ SF of unutilized space in the hotel for the new owner to capitalize on and increase revenue and performance, such as meeting rooms, F&B / banquette area, an abundance of storage area, several back of house offices are empty, including state of the art chic mens and women's restrooms fit for large functions and banquets. All Finishes are attractive and in good condition.

AMENITIES

The hotel boasts an array of amenities meticulously crafted to enhance the overall guest experience, ensuring every aspect of their stay is exceptional. Among these offerings are a sophisticated business center and a cutting-edge fitness facility.

The Business Center: The hotel's business center provides a conducive environment for productivity. Equipped with modern amenities and spacious meeting rooms, it serves as a hub for guests needing to attend to professional matters. Whether conducting meetings, catching up on emails, or finalizing presentations, guests can rely on the hotel's business center to meet their needs promptly and efficiently.

FOOD & BEVERAGE

The Washington Hotel brings the energy of Mykonos with Skinos, an upscale fine dining restaurant with innovative take on traditional Mediterranean, located on the first and second floors, it's cuisine is a mix of modern aesthetic with authentic flavors to deliver classic Mediterranean dishes.







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FULL OM WITH FINANCIALS CAN BE SENT UPON REQUEST
FOR MORE INFORMATION, PLEASE CONTACT:

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