

AC Hotel Atlanta Downtown



OPPORTUNITY:

The formerly-branded Holiday Inn hotel was built in 1985 in downtown Atlanta. Although dated and in need of capital investment, the structure and location of the building posed a significant opportunity for a repositioning and renovation by PHG. In August 2015, PHG purchased the asset off market with plans to complete a gut renovation and brand conversion.

STRATEGY:

In order to compete and lead the local competitive hotel supply, PHG selected the AC Hotels by Marriott brand for the repositioned Hotel. PHG then leveraged our development and renovation experience, intelligence from the property management division, and intimate knowledge of the market to assess the risks and costs associated with the conversion. Peachtree determined feasibility and analyzed the economic benefit of the renovation versus the cost of the project. The development team partnered with leading architects and general contractors to complete the transformation.

RESULTS:

The Hotel was purchased in August of 2015 for \$22.9 million and was completely renovated and converted by May of 2017. The total project investment was \$48.5 million, and the hotel was sold in 2018 for \$57.5 million with an internal rate of return of 36%.