

## Hampton Inn Panama City Beach



### OPPORTUNITY:

The Sponsor had secured a prime oceanfront development site in Panama City Beach, Florida and a Franchise License Agreement with Hilton for a Hampton Inn & Suites. The Sponsor needed additional capital in order to complete the capitalization of this project and continue with their remaining development pipeline.

### STRATEGY:

Stonehill was quickly able to underwrite the location, market and brand. With additional due diligence due to the Sponsor's extensive experience in the market, Stonehill was able to develop a comfort level with the Sponsor, the construction risk, and their business plan to develop and stabilize the asset. Stonehill leveraged internal underwriting expertise to underwrite the hotel performance as well as the Sponsor's experience as a developer and operator in this unique segment of beachfront, premium-branded hotels.

### RESULTS:

The hotel was constructed on-time and on-budget. Upon stabilization of the hotel, the Sponsor was able to recapitalize the hotel and buy out Stonehill's preferred equity investment creating a win-win for both parties and generating an 31.9% IRR on Stonehill's Investment.