

Home2 Prattville



OPPORTUNITY:

Peachtree was approached by an owner seeking to sell their land parcel in Prattville, Alabama. The Home2 Suite by Hilton brand launched six years prior and had gained a reputation among developers and managers for being an efficient building to construct and operate. Peachtree sought to develop the hotel within a specific timeframe and budget and to ramp the hotel efficiently in order to exit the investment upon stabilization.

STRATEGY:

Peachtree's approach was to leverage their internal development capabilities and expertise to estimate project costs. PHG also consulted with the management division and benchmarked comparable hotels within Peachtree's portfolio to estimate the hotel's potential performance in this market. The investment team negotiated and closed on the land purchase in 2015. PHG was granted a Home2 Suites franchise and utilized its development team to execute on the design and construction of the hotel.

RESULTS:

Ultimately, Peachtree invested \$10.9 million into the hotel development and opened it in December of 2016. The asset was later sold for \$14.75 million in July of 2019 at an IRR of 32.2%.