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October 7, 2014

## Carey Watermark Investors Buys Florida Resort & Spa

By Keith Loria, Contributing Editor

Carey Watermark Investors Inc. has acquired the Sawgrass Marriott Golf Resort & Spa, a 511-unit resort in Ponte Vedra Beach, Fla., from an affiliate of Goldman Sachs and Petra Capital Management.

The price of the transaction was not disclosed.

"The combination of its wealth of facilities and amenities, access to PGA courses, and its beach-front cabana club make it an irreplaceable property with significant upside potential," Michael Medzigan, CWI's CEO, told *Commercial Property Executive*. "Additionally, CWI acquired this high-quality property below estimated replacement cost."

The hotel comprises 511 keys, including both traditional hotel guestrooms located in a seven-story tower and rooms located in 81 resort villas with golf course and water views. There is also a 25,000-square-foot spa with 19 treatment rooms and a 2,700-square-foot fitness center.



Earlier this year, the resort underwent an extensive \$20.3 million renovation, which included the lobby, all meeting and event spaces, food and beverage outlets, all villa guestrooms, tower suites and enhancements to the Cabana Beach Club. CWI will spend an additional \$25 million to further enhance the property and the guest experience.

According to Medzigan, the investment is consistent with CWI's philosophy of acquiring a diverse, high-quality portfolio with meaningful barriers to entry.

"The addition of Sawgrass furthers our strategy of creating a balanced portfolio of current cash flow and potential value creation opportunities," he said. "Lodging industry fundamentals remain favorable with the resort segment particularly well positioned to benefit. Supply additions continue to trail demand growth by a significant margin and all analyst forecasts point to a continuation of that trend for the foreseeable future. We believe that the resort sector is particularly well poised to benefit in this environment."

The Sawgrass Marriott Golf Resort & Spa is only 18 miles from downtown Jacksonville and a two-hour drive to Orlando. It has direct access to two championship golf courses, including the world-renowned Stadium Course at TPC Sawgrass.

"The resort is accessible by major airports in Jacksonville and Orlando, and the drive-to access from major Southeastern U.S. cities makes it an ideal destination," Medzigan added. "The charm and upscale environment of the immediately surrounding area also add to the appeal of the property." As part of CWI's acquisition, Marriott International has assumed management of the resort, so it will be able to capitalize on Marriott's strong reservation system and loyalty program, as well as its superior brand recognition and demand among both domestic and international travelers.