



GFH INVESTS APPROXIMATELY \$250M IN US HOSPITALITY SECTOR WITH ACQUISITION OF THE HOSPITALITY PORTFOLIO



- Assets include 12 premium select service hotels under the Hilton and Marriot brands -

Dubai – 08 February 2020: GFH Capital, a subsidiary of GFH Financial Group, today announced that it has acquired a Diversified US Hospitality Portfolio (“the Portfolio”) in partnership with Arbor Lodging Partners (**Arbor**) consisting of twelve premium branded select service hotels located in the U.S. states of California, Connecticut and New Jersey with an investment of approximately US\$ 250 million.

These hotels are premium branded with each falling under either a Hilton Brand hotel (Hilton Garden Inn, Hampton Inn, and Homewood Suites) or a Marriott Brand hotel (Courtyard, Residence Inn, and Springhill Suites). The Portfolio benefits from number of key considerations including the defensive nature of the select-service segment. The Portfolio has out-performed comp set and other hotel segments over multiple economic cycles. Furthermore, GFH and Arbor will undertake a Property Improvement Program in line with brand standards to create value by increasing revenue generation during the investment period.

The transaction has been undertaken in a joint venture with Arbor, who will hold a c. 9% stake in the Portfolio and act as the Asset Manager. Arbor is a specialized hospitality asset manager in the US with a strong track record in investing and managing hospitality assets. Arbor Lodging Management, an affiliate of Arbor, will be managing the Portfolio.

Commenting, Mr. Hisham Alrayes, CEO of GFH, said, “We’re delighted to close another significant investment in the US markets, which continues to perform strongly and in this robust segment of the hospitality sector. The Portfolio is well diversified with assets located in key submarkets of the country that are showing growth and overall positive dynamics. The Portfolio also benefits from best in class branding with the Hilton and Marriott franchise affiliations making them well known to target audiences and a part of industry-leading guest loyalty programs driving traffic. The hotels are also well managed and have strong reputations. We look forward to working with our partner Arbor to add further value to these assets and expect stronger income and returns for our investors. We’re pleased to bring what is yet another unique investment opportunity to the market and to continue enabling our investors to make the most of strong performance in solid defensive sectors in the US economy.”



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About GFH Capital Limited:

GFH Capital Ltd (“GCL”) is a subsidiary and investment banking arm of GFH Financial Group based in the Dubai International Financial Centre (DIFC) and regulated by the Dubai Financial Services Authority (the “DFSA”). Incorporated in 2005, GCL is one of the Middle East’s longest established and leading private equity investors, advisors and investment and asset managers, providing capital and strategic support for growth companies. To date, GCL, alongside GFH Financial Group, has undertaken and structured investments of more than USD 3 billion in over 40 companies and across 25 countries. This includes investments in key sectors such as education, income generating real estate covering residential, industrial and senior healthcare, as well as technology, media and telecommunications (TMT).

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