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XLD Buys LAX Marriott in L.A. from Diamondrock Hospitality



By Keith Loria, Contributing Editor

XLD Century, L.L.C. acquired the LAX Marriott, an 18-story, 1,004-key hotel in Los Angeles, from Diamondrock Hospitality Co. for \$160 million.

The deal represented the largest hotel transaction in Los Angeles for 2014. Asia Pacific Capital Co. represented the buyer, a development group from Sichuan, China, in the transaction.

“It’s an iconic Marriott. It’s a big property and dominates that market. It’s the only full-service Marriott within miles of the Los Angeles Airport,” Richard Alter, Asia Pacific Capital Co.’s managing director, told *Commercial Property Executive*. “If you have a Marriott and there’s no other hotel nearby, you’re going to do really well.”

Originally built in 1972, the hotel sits on 10.56 acres and is directly next to the LAX International Airport, approximately 10 miles from downtown.

According to Alter, XLD Century will add seven suites and expand the Executive Club in the upcoming months and are planning a larger renovation in the year ahead.

“There have been a lot of renovations over the last seven years that the previous owner has done, but it clearly needs additional renovations and it needs some strategic improvements to raise the rate,” he said. “After the immediate renovations, they are planning on doing another \$35 million in renovations; a complete facelift of the hotel.”

The hotel posted an occupancy rate of more than 90 percent for the third quarter of 2014.

This is the second time that Asia Pacific Capital Co. brought these two parties together for a transaction. In November 2013, XLD Century acquired the Torrance Marriott, a 487-key hotel in Torrance, Calif., from Diamondrock Hospitality Co. for \$74 million.

“They were really happy with the performance of that hotel so when they saw the opportunity to acquire this one, they jumped at the chance,” Alter said. “It’s a matter of trust and it made it easier, considering the size of the transaction was much larger.”

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