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DEVELOPMENT

PARAMOUNT HOTEL GROUP EXPECTS TO ADD 10 TO 12 HOTELS TO ITS MANAGEMENT PORTFOLIO IN 2013

🕒 January, 29 2013 [Paramount Hotel Group](#)

Paramount Hotel Group announced the launch of a new expansion initiative with the addition of three new management contracts.



Company officials said that the growth is being fueled by relationships with a select group of sophisticated hotel real estate capital partners who seek to acquire hotels with significant upside potential in this phase of the hotel real estate cycle. Paramount expects to add 10 to 12 hotels to its management portfolio in 2013.

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The three hotels recently were acquired by Lightstone Value Plus Real Estate Investment Trust, Inc., a non-traded REIT. The properties include a SpringHill Suites by Marriott and Fairfield Inn & Suites by Marriott located in West Des Moines, Iowa, and a Courtyard by Marriott in suburban Cleveland, Ohio.

"More hotels are coming to market now and we expect to work closely with The Lightstone Group in the current year to help achieve their growth targets," said Ethan Kramer, President of Paramount. "Our 30-plus years of hotel experience are a huge benefit for investors in sourcing and analyzing hotel investment opportunities, some of which have hard-to-identify, unique attributes. These properties have intangibles that go beyond repositioning and strong management, often in markets that are overlooked."

Paramount and its investors/owners seek full-service and select-service hotels, primarily in secondary and suburban markets that have the "bones" to be premium-branded. "While these properties may not be as 'sexy' as a downtown urban hotel, we know that they can generate high returns with prudent risk," Kramer added. "The key is finding and unlocking the value that others do not see."

Kramer noted that many hotels currently on the market have significant PIP requirements because upgrades were pushed back well beyond the normal cycle during the recent recession. "Those properties create both a dilemma and an opportunity. Renovations can be costly and disruptive in the short-term which make these investments appear to be unattractive, but they also provide the opportunity to reposition and rebrand and become market leaders. With strategic investment, smart positioning and strong management, those hotels can generate superior returns. We are fortunate to work with Hospitality CPM, a renovation management company, in quickly understanding the costs and opportunities of renovation and repositioning."

Paramount Hotel Group is a third-party, independent management and ownership group that focuses on hotel operations, acquisition and development opportunities, construction management and technical services support.