

Oxford Development Buys Crowne Plaza Pittsburgh South Hotel

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Downtown Pittsburgh-based Oxford Development Co. has bought the Crowne Plaza Pittsburgh South hotel in Bethel Park, a 179-room full-service property across from South Hills Village, according to a deed transfer for the sale.

Officials for Oxford couldn't be immediately reached for comment.

The Crowne Plaza had been marketed for sale by Mark Popovich, a senior managing director in the Pittsburgh office of HFF Inc. (NYSE: HFF), who declined to comment, in a hot market for hotel properties and new hotel development.

An Allegheny County deed transfer for the Sept. 30 transaction indicates an Oxford affiliate bought the property for \$3.34 million, a price less than the 2014 county-assessed value of \$7 million. The complex includes the hotel itself along with lot of more than 5.4 acres, according to county records. If there are no other considerations or property included in the transaction, the sales price projects to \$18,659 per room.

Chris Brown, the managing director of Chicago-based SOLIC Capital, a financial advisory firm, helped the seller of the property, a Chicago-based investment fund called SageCrest, rejuvenate the hotel. He described the sale of the property as a successful turnaround for the 35-year-old property that is a rare suburban hotel with union employees, with a staff of more than 90.

Brown said his firm began working with the hotel four years ago when the company brought management for the property back in-house. It was the beginning of a process that lead to a 16 percent revenue increase for the Crowne Plaza, which ranks as the Pittsburgh region's 30th-largest, according to the Book of Lists, a publication of the Pittsburgh Business Times.

"We enjoyed the general market upturn in occupancy and also rate," he said. "As we tested the market for the value of the hotel over time, we certainly saw increasing investor demand and increasing interest in the hotel."

While he declined to name them, Brown said he expects the new owner to invest to upgrade the hotel.

In recent years, Oxford Development has become increasingly active in growing its hotel portfolio, more by developing new ones rather than acquiring them.

The company owns the DoubleTree Pittsburgh - Monroeville Convention Center Hotel outside the Monroeville Mall and last year opened the Hyatt House - Pittsburgh South Side within the SouthSide Works development, among other properties.

Fred Branovan, president of FFC Capital Corp., a downtown investment firm that buys and builds hotels, said the Crowne Plaza had been an under-performing hotel for years but expects its seen improving fortunes in part because of the need for rooms driven by activity from the Marcellus Shale.

“It’s probably the last to sell because of its location,” he said. “But it’s getting harder and harder to get rooms up and down the Interstate 79 corridor.”

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