

Investment Real Estate Associates

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Hotel Angeleno in Brentwood changes hands

"In another sign of tough times for the hospitality industry, the well-known Hotel Angeleno in Brentwood has been sold for \$35 million. The cylinder-shaped Angeleno towers 16 stories over the San Diego Freeway at Sunset Boulevard and was a Holiday Inn for 35 years before being upgraded and renamed in 2006. It will continue to be operated as the Angeleno by hotel management company Joie de Vivre of San Francisco.

Selling the hotel was a group of investors led Namco Capital Group Inc., a Los Angeles investment firm headed by Ezri Namvar. The hotel was not in bankruptcy, but both Namco and Namvar filed for Chapter 11 bankruptcy protection months ago.

With room occupancy down nationwide, many hotel owners are having trouble making payments on loans they took out during the recent economic boom to acquire or refinance their properties, said industry consultant David M. Brudney of Carlsbad.

"Not enough money is being generated by hotels to support these loans," Brudney said.

More than 27,400 California hotel rooms are in default, a 418% increase from a year ago, according to analyst Atlas Hospitality Group.

The Angeleno has lost 10% to 15% of its value since the recent market peak but is still doing good business in its location near the Getty Center, said real estate broker Clark Everitt of Investment Real Estate Associates, who represented the buyers. Occupancy is down at the Angeleno, but it "didn't go into the tank," Everitt said. "Relative to the rest of the market, it's performing quite well."