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<http://hotelexecutive.com/newswire/39992/tim-walker-rejoins-island-hospi>

## **Tim Walker Rejoins Island Hospitality Management as President**

### *Plans to Double Managed Portfolio Size within Five Years*

PALM BEACH, FL - January 31, 2012 - Officials of Island Hospitality Management LLC, one of the nation's largest hotel management companies, today announced that Tim Walker has rejoined the company as president. Walker will be responsible for executing a new growth strategy to double the size of the company's managed portfolio over the next three to five years to approximately 150 hotels. Currently, Island manages a portfolio of 76 hotels for five different ownership groups.

To achieve its growth goals, the company will focus on forming strategic relationships with a limited group of institutional owners who require sophisticated operating and reporting systems and have a longer-term ownership model. Island plans to increase its ownership base from five ownership groups currently to approximately 10. The company will operate hotels within Island's core competency—upscale extended-stay, select-service, and compact full-service hotels ranging in size from approximately 200 to 250 rooms.

"Island and its predecessor companies have a 25-year proven track record of operating in these segments with superior results," Walker said. "Our portfolio has consistently achieved industry-leading RevPAR premiums, compared to its competitive set. Part of that success is due to our team of professionals who have an owner focus and work closely together to improve revenues and margins. Historically, our margins have averaged upwards of 40 percent."

Walker said that while Island generally has and will continue to work with individual hotel owners, the company's advantages and expertise are best suited for institutional investors, including public and privately held funds, that require the specialized, sophisticated financial reporting and operating experience. "Our goal is to build a managed portfolio around a limited number of ownership groups for whom we can give intense, hands-on personal attention to their portfolios, while providing the systems and economies of scale of a large hotel management company. We have worked with a number of public REITs, with their more rigorous reporting requirements, as well as large private funds. We think with their mindset and have the systems in place to provide all the data they need or that the SEC would require."

Island has the financial strength and flexibility to co-invest with owners. "Some owners want their operators to have a financial stake in their assets," he said. "We approach every hotel we operate with an owner's viewpoint, but are comfortable co-investing, when appropriate." He added that the company also is eyeing opportunities to acquire other hotel management companies.

In addition to operating expertise, Island has in-depth experience in renovation and repositioning. "There will be more money invested in hotel renovations and repositionings in the next two years than we've seen in the past five," he noted. "There is a considerable backlog in PIP requirements. And, as a

substantial number of troubled properties come to market, we expect to see numerous conversions to new brands following extensive renovations. We have overseen more than \$150 million in upgrades in the past four years and have the expertise to both asset manage a new positioning, as well as oversee the physical process. We have excellent relationships with all the major brand families in our segments, including Marriott, Hilton, Starwood and Hyatt.”

Walker spent the majority of his career at Island, where, over 17 years, he rose to the position of president. He served briefly as CEO of Innkeepers USA Trust, a private ownership group with more than 70 hotels, before rejoining Island. He began his career with Promus Corporation, operating Embassy Suites-branded hotels. He has received numerous awards throughout his career from Marriott, Hilton and Starwood in guest satisfaction and sales and revenue management. He is on the Owners Advisory Committee of Hyatt House, formally known as Summerfield Suites.

#### About Island Hospitality

Headquartered in Palm Beach, Fla., Island Hospitality Management LLC is a third-party, independent management company. It operates approximately 80 hotels under six different brands, primarily premium select-service to upscale, extended stay properties, in 22 states and the District of Columbia. Additional information is available on the company’s Web site, [www.islandhospitality.com](http://www.islandhospitality.com).