



## Extendam and Catella Hospitality Europe acquire the largest Holiday Inn in France

A joint venture led by Catella Hospitality Europe (CHE) and Extendam has acquired the largest Holiday Inn in France, encouraged by the core belief regarding the prosperity of the hotel sector despite Covid-19. This transaction exhibits the ability for the two firms to navigate in a market which came to a standstill due to the pandemic, but which will remain driven by long-lasting fundamentals post-crisis.

Ideally situated in the immediate vicinity of Paris, by the newly built Tribunal Judiciaire, the Holiday Inn Paris Porte de Clichy is a midscale business-oriented hotel of 262 rooms, and one of the largest hotels in Paris' conurbation. The property, which was acquired from a Swiss family office at a significant discount compared to Pre-Covid prices, had historically been impacted by the continuous development works disruption in the close vicinity.

Catella Hospitality Europe and Extendam believe there remains significant value to be created, especially taking into consideration the general uplift of the micro location. Clichy is regarded as one of the most dynamic redevelopment areas next to Paris and already witnessed the emergence of numerous corporate offices and of premium residential projects. By January 2021, the neighbourhood will complete its rejuvenation with the extension of the metro line 14, part of the "Grand Paris" project.

Catella Hospitality Europe is taking the opportunity of the Covid-19 crisis to undertake substantial investments to upgrade the property which it will directly operate under franchise. This acquisition showcases the faith of industry experts in hotels as an attractive asset class which will keep delivering above-market returns. Despite the uncertainty which looms over the path back to normality, CHE believes that value-add opportunities will emerge from the current crisis for those investment companies with a clear strategic vision and the willingness to take disciplined risks.

Sell-side was represented by DS Avocat and Christie & Co. Buy-side counsels working on the transaction were Herbert Smith Freehills, Mazars, Capstan, Edge Avocats, and Delpha Conseil.

### **The managing partners, at Catella Hospitality Europe, said:**

"The team of Catella Hospitality Europe is thrilled to begin working on the repositioning of such iconic asset in order to capture the full upside associated with the market recovery and Paris outstanding outlook in the years to come".

### **Jean-Marc Palhon, President of Extendam, said:**

"To the good ingredients of this deal has been added the identification of additional extremely strong rebounding capacities emerging post-crisis. Our experience of more than 10 years as a

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pure player in European hotel investment, coupled with our long-lasting support of operating partners in the sector has shown us that periods of crisis are periods during which investment in this sector is not only necessary but also strategic. Paradoxically, these periods offer the best vintages of private equity when we know how to identify them. It was in this context, and amid the lockdown that, last spring, we seized this investment opportunity".

## **About Catella Hospitality Europe**

Catella Hospitality Europe (CHE) invests and assists investors from the sourcing, structuring, and managing of tailored hotel investment opportunities, assessing, and executing each opportunity in order to create the optimum Risk/Reward. Based in Paris, the team has structured deals and managed properties in France and across other main European countries (United Kingdom, Germany, Spain, Belgium, Poland etc.). CHE was launched in June 2019.

## **About Extendam**

Extendam is a French independent asset management company dedicated to private and institutional investors, regulated by the AMF (the French financial markets authority). Since inception, our funds have invested in more than 200 hotels across EMEA, representing a combined asset value in excess of €2.0 billion. We partner with global operators and franchisors, white label management companies as well as local hoteliers in order to create value for our investors through active asset management.

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