

# New name, bigger goals for Great American

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By Jeff Higley  
Editorial Director  
[jeff@hotelnewsnow.com](mailto:jeff@hotelnewsnow.com)

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## Story Highlights

- Great American has 22 hotels with 3,200 rooms in its portfolio, which consists of properties on the East Coast and in the Midwest.
- The company has private equity and a debt facility to tap into when it wants to be an equity player in a joint-venture project.
- GAHG continues to look for situations that involve distressed assets, which has been one of its specialties for 30 years.

PHOENIX—A new name means new opportunities for Great American Hotel Group.

Formerly known as Ocean Hospitalities, Great American is no longer affiliated with Ocean Properties after a 25-year relationship. The third-party management company with 22 hotels and approximately 3,200 rooms in its portfolio is on the lookout for different ways to expand—including injecting equity in acquisitions and entering into some joint-venture ownership projects, according to principal R.J. Greene.

“If we have an opportunity to invest in a hotel that we’re going to run at a high level anyway, we’d love to get a return on that and meet our client’s equity needs as well,” Greene said during a break at last week’s Lodging Conference.

Greene said the JV project allows Great American to commit 20% to 30% in equity and for it to manage the hotel. The company has two such deals lined up with undisclosed Marriott International brands. Greene declined to reveal the locations but said GAHG will provide 20% equity and sign a 10-year management contract.

“We’d like to do a couple of those types of deals every year based on availability and sites,” he said. “There are a lot of those deals out there.”

Great American’s capital source is private equity. In addition it has a Bank of America debt facility that it can tap into based on a pro forma and a management contract, Greene said.

The company will target brands such as Hampton Inns & Suites, SpringHill Suites, Residence Inn, Courtyard by Marriott and Hilton Garden Inn.

### **An eye toward construction**

“Construction is going to come back, and come back soon,” Greene said. “There are a lot of markets with no additional supply added in the last three years. The demand’s still there, especially in the select-service arena. As soon as banks jump back in with financing, there’s going to be a lot of development.



Great American Hotel Group principals R.J. Greene (left) and David Akridge.

Great American has been an approved management company for all of the brands in the Hilton Worldwide and [Marriott](#) family of brands.

“You have to walk the fine line between taking care of your client, the owner, and doing right by the franchisor, too,” Greene said. “At times it’s a balancing act, but we’re staffed and have the infrastructure to do it well.”

Great American’s typical hold period will depend on how the debt is set up, according to Greene. “If you can (refinance) that construction loan in year two or year three and go to non-recourse, we’d love to sell in year three, but we’d love to stay on as management company if the client, our partner, wanted a long-term hold,” he said. “We

simply want to be a partial owner in some properties and get more of a return on the services we’re already providing.”

The Portsmouth, New Hampshire-based company’s portfolio consists of hotels on the East Coast and in the Midwest. Greene said the infrastructure is set up to expand into the Southwest as well.

Beyond those types of projects, Great American has a keen interest in distressed hotels. Greene said about 65% of the company’s business involves special services work. Some of its biggest clients are U.S. Bancorp, Midland Loan Services, Wells Fargo Bank and LNR Property LLC.

“We will continue to operate in that arena, and probably more so than ever because there’s so much demand there,” Greene said.

David Akridge, Greene’s partner, is a court-appointed receiver with a specialty in short-term distressed hotel management for lenders and special services. His experiences dates to the Resolution Trust Corporation days in the early 1990s. Akridge in the late 1980s teamed with Doug Greene, R.J. Greene’s father, to form Greene Akridge Properties, which also became known as GAP Management.



**TAGS:** [Great American Hotel Group](#), [Ocean Hospitalities](#), [R.J. Greene](#), [David Akridge](#), [third party management](#), [joint ventures](#), [distressed hotels](#), [Jeff Higley](#)