

## Peabody Orlando Gets \$405M Expansion Loan

By [Carl Cronan](#)

*(Carl Cronan is editor of [Real Estate Florida](#).)*

ORLANDO, FL-Capmark Finance Inc. has arranged \$405 million of financing for a major expansion of the Peabody Orlando hotel that will nearly double its size. A syndicate of ten institutions have committed to the floating-rate loan for a four-year term with a one-year extension option.

Bruce Lowrey, senior vice president of Capmark's Hospitality Lending Group, tells GlobeSt.com that the Peabody Orlando appears a solid bet because of the project's principals, Belz Enterprises and Estein & Associates USA Ltd. He notes that the hotel's expansion plans include a covered sky bridge connection to the Orange County Convention Center, one of the nation's largest with 2.5 million sf of meeting space.

"Strong sponsorship and a great asset in an A-plus location in one of the country's major meeting markets makes this truly compelling," Lowrey says. "There aren't many deals out there as good as this."

While most major lenders are tightening credit because of turmoil in the commercial markets lately Lowrey believes the right types of projects can still obtain financing depending on what and where they are, and who is behind them. "The larger truism here is that good deals will always get done," he says.

Sumitomo Mitsui Banking Corp. and Societe Generale were co-lead arrangers on the loan syndication, which also includes Wachovia Bank, Regions Bank, Helaba, US Bank, Mercantil Commercebank, PNC Bank and Bank of East Asia. The loan closing was in early April, nearly two months after expansion work began at the 28-acre hotel site on International Drive.

The Peabody Orlando's expansion plans, to be completed by fall 2010, include a new 32-story, 750-room hotel tower, 145,000 sf of meeting space and an 18,000-sf spa. The current hotel has 891 rooms, three full-service restaurants, 55,000 sf of meeting space and an athletic club.