

# 5 Triangle hotels sell for \$22M as part of buy-out deal with Barclays

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After helping revive a hotel brand that was quickly going under, **Five Mile Capital** is cashing out of its portfolio of 89 **Red Roof Inn** hotels nationwide and selling its ownership stake as part of a \$600 million bid funded by **Barclays**.

The deal includes the sale of five Red Roof Inn hotels in Raleigh, Durham and Cary for a combined \$22 million, according to deed records filed in May in Wake and Durham counties.

Five Mile Capital, of Stamford, Connecticut, along with Westmont Hospitality had purchased a portfolio of 143 Red Roof hotels in 2011 after the budget hotel chain defaulted on its debt. They sold 53 of the properties and invested \$70 million on renovations to the remaining hotels.

According to reports in [Commercial Mortgage Alert](#), Westmont wanted to stay in the investment and teamed up with an unidentified Singapore investor to make an offer. Their winning bid of about \$600 million beat out runner-up Blackstone, which wanted to convert the properties to its Motel 6 brand.

Barclays is helping finance the purchase with \$450 million of floating-rate debt.

In the Triangle, the portfolio purchased included these Red Roof Inn hotels:

- 1915 N. Pointe Drive, Durham;
- 5623 Chapel Hill Blvd., Durham;
- 4405 Highway 55 E., Durham;
- 1813 S. Saunders St., Raleigh; and
- 1800 Walnut St., Cary



Courtesy Red Roof Inn

An interior view of the upgraded Red Roof Inn.