

Geller completes record deal for Waldorf Astoria

Chicago hotelier Laurence Geller completed his record-breaking purchase of the Waldorf Astoria hotel in the Gold Coast, a deal in which real estate billionaire Sam Zell's private investment firm will maintain a minority stake.

A venture of Geller Investment and Wanxiang America Real Estate Group, an Elgin-based unit of Chinese auto parts giant Wanxiang Group, paid \$111.9 million for the 189-room hotel at 11 E. Walton St., according to a Cook County transfer tax form. The June 25 sale by Zell's Equity Group Investments equals just over \$592,000 per room, a Chicago record.

The previous record was the approximately \$505,000 per room Zell's venture paid for the luxury hotel, then known as the Elysian, in a \$95 million deal in 2011.

"It is a terrific time to be in the luxury hotel business, especially in Chicago, due to its growth in tourism," Geller said in a statement. "This hotel's world-class location, physical attributes and current market position provide a wonderful platform from which to grow."

Equity Group Investments will maintain a minority ownership interest in the deal, according to the statement from the buyer and seller. The size of the stake Zell is keeping was not identified.

Geller, former CEO of Strategic Hotels & Resorts, and Wanxiang were backed by a \$67.3 million loan from Wells Fargo Bank, according to Cook County records. It is the second time Geller and Wanxiang have partnered on a hotel deal in Chicago. The first is a 290-room Conrad hotel in a vacant office building they're converting at 101 E. Erie St., which is expected to open in 2016.

"We are pleased to partner with Laurence in the ownership of the Waldorf Astoria Chicago," Zell said in the statement. "His demonstrated passion for his hotels, acumen and creativity will provide this award-winning asset with exceptional stewardship and ensure continued value creation."

By converting some of the largest suites into multiple rooms, the new owners plan to add 26 hotel rooms in the 60-story tower, which also has 52 private residences. The new owners also plan changes to the hotel's food, drink and public areas.

"We look forward to working with the homeowners in what is one of Chicago's most exclusive residential towers; we intend to create new services and build on their already impressive amenities," Geller said.

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