

JV Makes Oceanfront Resort Purchase in Mexico

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Hilton Los Cabos Beach & Golf Resort

Citing a recent multimillion-dollar renovation and confidence in the Los Cabos, Mexico, hospitality market, a joint venture of Trinity Investments LLC, Walton Street Capital LLC and Oaktree Capital Management LP has acquired the Hilton Los Cabos Beach & Golf Resort.



The seller and purchase price for the AAA Four-Diamond, 375-key resort were not disclosed. However, shortly after news broke of the joint venture acquisition of the resort, Hilton Grand Vacations announced it had made a \$41 million deposit to purchase 87 guestrooms from the JV and convert them into 74 timeshare units. The firm estimated its total project investment to be about \$50 million, including deposit, renovations and additional startup costs. HGV said it expects to obtain title to the units and begin renovations in the second quarter of 2019. Sales are expected to begin by late 2019.

Executives in the joint venture buying the resort said they believe in the long-term fundamental of Los Cabos for business and leisure travel.

“Purchasing the Hilton Los Cabos Beach & Golf Resort advances our proven strategy of acquiring well-located, high-quality assets with value-add upside in international markets that we know exceptionally well,” Sean Hehir, president & CEO of Trinity, said in a prepared statement.

“This acquisition is a continuation of our strategy to develop and acquire institutional quality assets with leading operating partners. We are excited to acquire this world-class hotel, with a top brand such as Hilton, in one of the main tourism markets in Mexico,” added Federico Martin del Campo, managing partner & CEO of Walton Street Capital Mexico.

The oceanfront resort, located within the Cabo Real master plan at the tip of the Baja California peninsula, has one of the area’s only swimmer-friendly beaches. It has six food and beverage concepts, a 7,000-square-foot spa and salon and 88,000 square feet of indoor and outdoor meeting space.

La Vista Club, which includes 66 premium guestrooms, is the resort's 'hotel within a hotel' concept that was launched in 2016. It provides an elevated guest experience with exclusive features and luxury touches, including private facilities serving complimentary cuisine for members.

Trinity, Oaktree Share History

Trinity has previously invested in Mexico real estate in gateway markets. The Hawaiian-based investment firm developed the Le Meridien Mexico City, a 160-suite hotel on the city's famous Paseo de la Reforma thoroughfare.

Trinity and Oaktree have also worked together in the past. The entities formed a joint venture in August to invest as much as \$3 billion in high-quality, value-add hotels in select markets in Hawaii, California, Mexico and Japan. Several months earlier in 2017, Trinity and Oaktree teamed up to buy the long-term leasehold interest in The Westin Maui Resort & Spa, Ka'anapali, from Marriott International Inc. for \$317 million. The asset is a premier 759-key resort on 12 oceanfront acres on Maui's Ka'anapali Beach. Trinity and Oaktree also agreed to manage the property.

Image courtesy of Trinity Investments LLC, Walton Street Capital and Oaktree Capital Management LP