

# Apollo provides €105m financing for luxury hotel's Rome debut

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Joint venture has bought a historic palace in the heart of the Italian capital



- **What** Apollo has provided a €105m loan to a joint venture led by Fort Hospitality Group and Four Seasons Hotels and Resorts
- **Why** For the acquisition of Palazzo Marini 3-4, an office and retail building in the centre of Rome
- **What next** The property will be converted into Rome's first Four Seasons hotel

Apollo Global Management has provided a €105m senior loan to a joint venture led by Fort Hospitality Group and Four Seasons Hotels and Resorts for the acquisition of a historic asset in the centre of Rome, *React News* can reveal.

The property will become the first Four Seasons branded hotel in the Italian capital.

Palazzo Marini 3-4 is a 16,000 sq m (172,000 sq ft) office and retail building in piazza San Silvestro, a large and open pedestrianised square off via del Corso, near the luxury retail district of via dei Condotti.

Dea Capital Real Estate Sgr sold it to Fort Hospitality Group and Four Seasons Hotels and Resorts for a price between €160m and €170m, as first reported by *Il Sole 24 Ore*. The total investment, including cost of building and capex, is expected to be up to €300m.

The senior loan will provide time for Fort and Four Seasons to obtain planning for the proposed conversion and further advance the design and specifications of the hotel.

The transaction is another sign of international investors' interest in Rome, where the presence of luxury hospitality brands has increased, with several new entrants also expected in the coming years.

## **Apollo's Italian activity**

[Apollo has been expanding its financing across Europe](#) and has recently increased its focus on Italy. Last year it provided financing for Bain Capital Credit's [acquisition of Hotel Britannia Excelsior](#) on Lake Como, which is due to be redeveloped into a five-star hotel. Apollo also financed [Henderson Park's maiden purchase in Italy](#), the €221m portfolio of offices from Italian utility firm A2A.

Ben Eppley, head of European commercial real estate debt at Apollo, told *React News*: "We have spent a lot of time educating ourselves on the Italian market, meeting local players, and setting up our business to capitalise on opportunities there. Italy is a compelling market so we have made a push.

"We still think that there will be significant opportunity in Italy going forward but – as with all markets in the current environment – we are taking a prudent approach."

## **Rome hotels**

Despite Rome being the most visited city in Italy, counting 25m bed nights a year, the luxury segment of its hotel market has historically been underserved.

In 2021, only one out of 11 new hotels in the Italian capital (1,500 rooms) was in the luxury segment, according to data from CBRE. [W Rome, officially](#)

launched this year, is now marketed for sale.

A new wave of luxury properties in Rome is expected. By 2024, 33% of the expected 4,000 new hotel rooms will be part of the luxury and ultra luxury segment, according to CBRE, and they will include Bulgari Rome and Rosewood Rome.

These brands are targeting Rome's historic buildings to convert into hotels, as it is the case for the future Four Seasons. "It is a trophy property in an irreplaceable location, and we were happy to be part of the transaction with Fort Partners," Eppley added.

Three Stars Capital Partners acted as financial adviser to Fort. "This is a unique project and we are happy to have given our assistance in completing the deal," said Mauro Savoia, CEO of Three Stars.