

# THE REAL DEAL

NEW YORK CITY REAL ESTATE NEWS

## Canadian hotel company buys Midtown development site for \$19.6M

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By Katherine Clarke

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The assemblage site on 36th Street

Canadian hotel management and franchise company Executive Resorts and Hotels has closed on the purchase of four adjacent low-rise buildings at 38-44 West 36th Street, a source with knowledge of the deal told *The Real Deal* today, and has plans to build a hotel on the site.

Executive, which is based on Howe Street in Vancouver, purchased the prospective development site from an LLC named Divya Malini Realty, a company owned by a New York-based Indian family which bought the property in 1993, for \$19.6 million, the source said. The acquisition of the assemblage site is the company's first in New York.

The site is composed of four separate four-story buildings, each totaling around 1,500 square feet. The building at 38 West 36th Street has an office component while the others are currently being used primarily for storage. The buildings will likely be leveled in coming months to make room for the new development, said the source, who wished not to be identified. It was not immediately clear if any tenants will be affected.

Executive CEO Salim Sayani, who founded the hotel group in 1998 with the opening of one hotel in Canada, was not immediately available for comment. The chain has since expanded to include 18 hotels along the Western coast of Canada and in California and Washington D.C, a third of which involve corporate investment, according to news reports.

Executive isn't the first hotel company to choose [the West 36th Street](#) strip as its home. Three new hotels are already slated for the area between Fifth and Sixth avenues on 36th Street, it was previously reported by Hotel Chatter, including a Holiday Inn Express, a Hyatt Place and an unnamed boutique hotel.

The Hyatt Place and the boutique hotel are scheduled to open this spring, while the Holiday Inn Express isn't scheduled until 2013.

When asked last month if he thought there was a [danger of over-saturation](#) in New York's hotel market, Joseph Spinnato, president and CEO of the Hotel Association of New York, said: "Overbuilding has always been a negative in this industry. When is the glass truly full? I don't know. But right now... there are markets that haven't fully been tapped."

New York City hotel occupancy rates are the highest in the nation at 85 percent. Room rates are also on the up, with visitors paying \$261 per night on average so far in 2011, according to figures provided by the city.

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