

Grand Island hotel on the market - for nearly \$10 million

The Byblos Niagara Resort and Spa on Grand Island is now for sale.

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The Middle Eastern company that spent several million dollars to buy and renovate the former Holiday Inn hotel and resort on Grand Island is now putting the 263-room property up for sale for nearly \$10 million.

Byblos Hospitality of Dubai, in the United Arab Emirates, has listed its Byblos Niagara Resort & Spa for sale on LoopNet, an Internet-based commercial real estate listing service, for an asking price equal to \$37,262 per room.

It bought the hotel out of foreclosure for \$4 million in January 2013.

The company, which operates several four-star resorts and restaurants in the Middle East, did not say why it is seeking to sell the property, and the on-site owners' representative, Fadi Touma, said that "it's not about performance."

"I can not speak about why the ownership would decide to sell it," he said. But "if someone comes in with a \$9.8 million offer to sell, we probably would sell."

The 181,245-square-foot full-service hotel sits on 12.6 acres at 100 Whitehaven Road, on the banks of the Niagara River, roughly in between Buffalo and Niagara Falls.

It includes more than 28,000 square feet of meeting and banquet space, as well as indoor and outdoor pools, a sauna and whirlpool and a fitness center. Rooms have private balconies. And it's located next to a golf course and marina, with more than 1,000 feet of frontage on the water.

But despite the fanfare with which Byblos promoted its purchase and property – which it touts as "the only resort hotel situated on the banks of the majestic Niagara River" and as the Buffalo Niagara area's "only island resort" – it may not be generating the revenues or demand the company may have expected.

According to the LoopNet listing, the average daily rate for the property is \$73, but the average for all of the region's hotels last year was \$96.24, according to industry consultant STR, formerly Smith Travel Research. Even worse, the revenue per available room – another standard hotel

industry measure – is \$38, well below the regional average of \$62.58 last year. And it's only half-full on average.

As a result, its net operating income, at \$833,000, generates just \$3,167 per room. And that's after Byblos spent \$2.5 million in renovations.

Company officials could not be reached for comment.