

COMMERCE

Mandarin Oriental secures Boston position via acquisition

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Mandarin Oriental, Boston's lobby

By STAFF REPORTS

Mandarin Oriental International has invested \$140 million in the Boylston Street property that houses the Mandarin Oriental, Boston hotel.

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The hotel has been operated by Mandarin Oriental since 2008, but the property has been owned by CWB Hotel Limited Partnership. Acquiring a freehold interest in the property will present Mandarin Oriental with opportunities to control the future of the property to its own standards rather than working with a third party owner.

New owners

Mandarin Oriental purchased the Boylston Street property as its right under the hotelier's long-term management agreement contract with CWB Hotel Limited Partnership. The property has 148 guest rooms and 85 privately owned Residences at Mandarin Oriental connected to the hotel.

The hotel property had been on sale by auction and had received a number of bids from hospitality firms. Under Mandarin Oriental's management contract, the hotel brand had the right to purchase the property for a sum equal to the highest bid received.

Mandarin Oriental now must wait for a final court approval of the terms agreed to at auction. The hotel brand expects this to take place in the first quarter of 2016.



Exterior of Mandarin Oriental, Boston

"We are delighted to acquire the property that houses our luxury hotel in the heart of Boston," said Edouard Ettedgui, group chief executive of Mandarin Oriental. "This acquisition ensures the continuity of our position in Boston, and we look forward to maintaining our award-winning service in this key gateway city."

The acquisition of the Boylston Street hotel is expected to impact Mandarin Oriental's earnings positively.

In the hospitality space, mergers and acquisitions are common. Notably, on the morning of Nov. 16, Starwood and Marriott International announced that the companies have agreed to a merger that will create the world's largest hotel company ([see story](#)).