

Bainbridge launches \$500M fund to buy distressed hotels

With management wing Torrey Pines Hotel Group, will acquire 200 properties

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Nick Chini and Orel Hershiser are two of the partners at Bainbridge. (Getty, LinkedIn via Nick Chini)

Bainbridge Investments has launched a \$500 million fund to buy hotels at a time of continued [distress in the industry](#), when owners are defaulting on their loans and lenders are looking to [sell their mortgages](#).

Los Angeles-based Bainbridge DXS and its management wing, Torrey Pines Hotel

Group, plan to acquire up to 200 properties over the next 15 years with a focus on distressed properties, according to the Los Angeles Business Journal.

The world is going through a period of great economic change and disruption,” said Nick Chini, a managing partner at Bainbridge Investments. “We have a base of international partners and investors who are looking for the pandemic and post-pandemic opportunities in hospitality.”

Chini said those opportunities could include distressed assets, repositionings, and debt takeovers. The firm plans is open to joint venture partnerships and management deals.

Bainbridge is “already pursuing a half-dozen” domestic and international deals, he said. The company is especially interested in L.A., Miami, Washington, D.C., and Austin. Bainbridge also counts former L.A. Dodgers ace pitcher Orel Hershiser as a general partner.

In August, Miami-based CGI Merchant group said it was planning to launch a [\\$500 million](#) fund to invest in distressed and value-add hotels in North America and the Caribbean that would be branded as Hilton properties. The venture said it intends to take advantage of the buying opportunities the pandemic has created. And there are many.

Covid-19 has pulled the rug out from under the global hospitality industry and the sharks have [been hunting](#) since shutdowns began last spring.

The virus has [forced](#) the owners of hotels at all price points to sell and consider selling, particularly highly-leveraged owners.

The latest surge in coronavirus cases has only made the situation worse for workers and hotel owners — around [half a million](#) industry jobs were lost last month alone.