

Barrows Hotel Enterprises starts offering high yield Bond Structures to Institutional Investors

High Yield Bond Offering now available for Institutional Hotel Investors

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/EINPresswire.com/ -- Barrows, the provider of hotel investment and advisory services for hotels in the Middle East and Africa, starts offering Bond structures to Institutional Investors on behalf of contracted developers.



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Stricter banking regulations and higher capital requirements have put pressure on banks to reduce their loan

portfolios. Particularly in regards to longer-term liabilities. This has led, among other things, to the fact that real estate development projects can no longer rely solely on traditional debt for financing. A gradual shift from bank-driven financing to non-bank and capital market financing is now the trend. As a result, more innovative ways of financing, such as high-yield bonds, are being implemented.

High yield bonds are securities that can be issued in public markets or placed over the counter. A private placement is the method of placing debt with a small number of professional investors, which may or may not be listed. Often, but not exclusively, such investors are non-banking institutions. Most bonds are issued on the public bond market, although the private placement market is also an important source of liquidity.

Barrows is the capital raising partner for many developers in the GCC and the African continent and sees the shift. We add value when it comes to providing capital, then selling the assets to individual investors and contracting hotel operators.

The increasing demand from the professional and institutional markets such as pension funds, insurance companies, private equity parties and family offices has been the reason for setting up

a bond structure with a fixed coupon rate of 20%.

The bond agreements vary depending on the project from short-term 24 months to 7 year bond agreements. Part of the bond structure is a solid guarantee for the investor during the term.

Our contract partners are very healthy developers with a long track record in hotel resort development. As an example I will mention the Lagoon Gardens project in Mauritius, where we offer a bond structure with a fixed term of 24 months and a coupon fee of 20%.

The value of these bonds is allocated to the first development phase while the redemption and coupon payment is made from the sale of the individual hotel villas and hotel apartments. With a total asset value over 95 million, this is a project what offers institutional investors security and solid guaranteed returns during the 24 months of investment. A beautiful resort development that has no equal in terms of location, luxury and available facilities, said Chairman Erwin Jager on behalf of Barrows.

West Africa is growing strongly and in the coming decades West Africa will develop more hotel resorts combined with new infrastructures which generates new visitors, jobs and new business opportunities.

Barrows Hotel Enterprises internationally manages over 10,000 hotel rooms in more than 10 countries. Barrows is specialized in the fast-growing hotel industry in the entire MENA Region including West Africa.

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