

Barrows Hotel Enterprises starts offering high yield Bond Structures to Investors

DUBAI, UNITED ARAB EMIRATES, December 15, 2022 /EINPresswire.com/ -- Barrows (BarrowsHotels.com), the provider of hotel investment and advisory services for hotels in the Middle East and Africa, starts offering Bond structures to Investors on behalf of contracted hotel developers.

The current state of the global economy has resulted in stricter banking regulations and higher capital requirements. Banks are under pressure to reduce their loan portfolios. Especially with regard to long-term debt. This has led, among other things, to the fact that property development projects can no longer rely solely on traditional loan capital 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 are being implemented, such as high-yield bonds. 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, whether listed or not. 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 developers in the GCC and the African continent and sees the shift. We add value when it comes to providing capital and then selling the assets to institutional investors with contracted hotel operators guaranteeing long-term leases.

The increasing demand from the professional and institutional markets such as pension funds, insurers, private equity parties and family offices has prompted the establishment of a bond structure with access for private wealthy individuals as well.

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

Our contract partners are very healthy developers with a long track record in the development of hotels and resorts. We offer a bond structure with a fixed term of 24 months and a coupon fee of 20% per annum.

The value of these bonds is allocated to the first phase of development while the redemption and coupon payment is made from the sale of the individual hotel units and hotel serviced apartments. With a high asset value, this is a project that offers investors security and solid guaranteed returns over the 24 months of investment.

Barrows Hotel Enterprises internationally manages more than 10,000 hotel rooms in more than 10 countries. Barrows specializes in the fast-growing hotel industry across the entire GCC region including West Africa

Press Room

Barrows Hotel Enterprises

+971 508454500

hello@barrowshotels.com

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