



Mortgage Market Affecting Condo Hotels

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Not even the red-hot market of condo hotels are impervious to the downturn in the mortgage sector. The mortgage crisis isn't just affecting developers seeking financing on new condo hotel projects. Additionally, past purchasers of pre-construction projects looking to close on condo hotels that are now nearing completion are feeling the pinch.

PR9.NET November 14, 2007 - Palm Springs, CA - Not even the red-hot market of condo hotels are impervious to the downturn in the mortgage sector.

For the last several years, condo hotels have been grabbing headlines for their one day sellouts and hundred millions of dollars in sales transacted in a single day. However, due to the downturn in the mortgage sector, numerous developments are experiencing the effects. For further information on which development are particularly being affected, please contact us directly.

"Despite the fact that there is still massive demand for condo hotels from the buying public, the mortgage market is actually making it more difficult for people to buy condo hotels", according to Tara Peterson, Director of Sales for PremiumCondoHotels.com

"We do have people calling us up who are attempting to close on pre-construction properties that they bought a year or two ago. They're telling us that due to the more restrictive mortgage conditions that have arisen, they are having trouble getting qualified for a loan, even though they were easily pre-qualified when they made the initial purchase. Now, if they can't get funding and aren't able to close on the property, they risk losing the initial deposit they put down when they purchased. For some buyers, this can equate to a six-figure loss", says Tara.

Peterson believes that despite the momentary trouble that the mortgage market is causing some condo hotel buyers, the majority of potential purchasers are not affected. She points to the recent example of the Hard Rock Hotel San Diego, a project that sold out in the pre-construction phase two years ago. "The hotel is nearing completion and the past purchasers are now having to deal with closing on the property. "We've been speaking with the primary lenders on the Hard Rock throughout the closing process. By all accounts, the numbers of persons who have had trouble closing on their properties are in the single digits.

All in all, the overall outlook of the condo hotel industry still appears to be quite strong. "Condo hotel projects will continue to flourish and you can fully expect to see more coming online in the coming year," says Peterson. "This correction in the mortgage sector is a natural and needed occurrence and will only benefit the condo hotel market long-term. It ensures that only qualified buyers make purchases and it will minimize the number of purchasers who default on loans."

For more information about the condo hotel market and the effects of the mortgage crisis, contact Tara Peterson. Direct line: (760) 709-2062 Email: tara@premiumcondohotels.com Other helpful information regarding the mortgage rates can be found at: <http://www.PremiumCondoHotels.com>.

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