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Allerton to get \$10 mil. face-lift

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The 443-room Allerton hotel, 701 N. Michigan, was sold Thursday to a group that plans a \$10 million renovation of the landmark property.

A unit of FelCor Lodging Trust sold the hotel to a joint venture of Oxford Lodging Advisory & Investment Group LLC of San Francisco and Perry Capital of New York. Industry sources said the purchase price was more than \$70 million.

Management of the Allerton will be turned over to Kokua Hospitality LLC, which is a part of Oxford. A spokesman for Oxford said it is not known if the hotel will retain the Crowne Plaza affiliation it has used since the late 1990s.

The buyers said they will relocate the hotel lobby to its original second-floor setting, where it will be combined with an existing bar and restaurant, and convert the third floor into a ballroom for large events.

The Allerton also underwent a renovation in 1997. With a prime location in the middle of the Magnificent Mile, the hotel has performed well financially, but competition from newer properties has generated pressure for more upgrades.

Amid a busy period for hotel deals in Chicago, Oxford in early 2006 acquired the Best Western Inn of Chicago, 162 E. Ohio, for about \$40 million. A renovation of that 357-room property is due to be finished early next year.