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Roosevelt Hotel Sale Faces Setback as Financial Adviser Withdraws

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The planned privatization of the Roosevelt Hotel in New York, a property owned by Pakistan International Airlines (PIA), has encountered a serious delay following the sudden resignation of the global real estate firm serving as the deal's financial adviser.

This unexpected move is expected to significantly stall the transaction's progress, possibly pushing the timeline back by at least a year and a half. With no new financial adviser yet appointed, the hotel's sale process remains in limbo, adding to the financial strain already being borne by Pakistan's national exchequer.

The Roosevelt Hotel, situated in a prime Manhattan location, has been owned by PIA for decades. In 2020, the hotel secured a $142 million loan from a financial institution. Since then, the property has largely remained underutilized, generating mounting costs related to debt servicing and general upkeep.

Sources estimate that the delay caused by the adviser's withdrawal could cost the national treasury upwards of $50 million, mostly in ongoing debt repayments and maintenance-related expenses. These costs will likely persist until a new adviser is brought on board and the due diligence process is again underway.

The Privatization Commission, which is responsible for overseeing the sale, has not yet started the procedure to appoint a new financial adviser. The lack of forward movement on this front has raised concerns over the transparency and professionalism in handling a transaction of this scale.

While serving as the caretaker minister for privatization, Fawad Hassan Fawad acknowledged the Roosevelt Hotel's strategic importance. He emphasized that "the Roosevelt Hotel remains a prime real estate asset in New York, and any sale must be handled with professionalism and transparency." He also mentioned that a development plan involving a 1.6 million-square-foot construction project on the site had previously been explored.

Currently, there is no clear timeline for when the new adviser will be appointed or when the privatization process will resume. The absence of active progress is not only delaying potential returns from the asset's sale but also increasing the country's financial burden at a time when fiscal responsibility is more critical than ever.

The situation underscores the importance of having experienced and reliable advisory partners in major real estate transactions, especially when public assets and taxpayer money are at stake. With the process at a standstill, stakeholders now await decisive steps from the Privatization Commission to revive it and minimize further financial impact.