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Pakistan to Complete Roosevelt Hotel Sale by Year-End

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Pakistan's government is moving ahead to complete the partial sale of its century-old Roosevelt Hotel in New York by the end of this year, a senior official confirmed. Adviser to the Finance Minister Khurram Schehzad clarified that the process to appoint a new financial adviser is underway and that the transaction will not face long delays, as some reports suggested.

The Roosevelt Hotel, one of Pakistan's most valuable foreign assets, has been a loss-making state-owned property. It closed in 2020 and has since operated sporadically,

including serving as a shelter for migrants. Pakistan plans to sell a minority stake in the Manhattan hotel and is looking for a redevelopment partner. This move forms part of the country's broader efforts to privatize state assets under a \$7 billion agreement with the International Monetary Fund (IMF).

Global real estate firm Jones Lang LaSalle (JLL) recently stepped down as the hotel's financial adviser due to a conflict of interest, as it was interested in becoming a partner on the buyer's side. Schehzad emphasized that JLL had already completed the transaction structure for a joint venture model, which the Privatization Commission and the federal cabinet approved. The new adviser will continue with this structure, focusing on finding a development partner.

"There will not be a delay of one and a half years as reported," Schehzad said, responding to a report claiming that the Privatization Commission would require 18 months to appoint a new adviser. He added that JLL committed to returning all funds received for its advisory role.

The finance official also addressed concerns about a \$142 million loan issued by the National Bank of Pakistan to the Roosevelt Hotel in 2020. He described the communication between the bank and the finance ministry as routine and stated that the loan issue will be resolved when the partnership agreement is signed.

Pakistani economists view JLL's resignation as a setback but believe it will not derail the privatization process. Dr. Sajid Amin, deputy executive director at the Sustainable Development Policy Institute, called for better planning and engagement to successfully privatize the property.

"The government will start looking for a new financial adviser firm, and it will be sufficient to demonstrate that the IMF commitments are on track," Amin said.

Dr. Ali Salman, executive director of the Policy Research Institute of Market Economy, praised the joint venture approach over a direct sale, highlighting its potential to maximize long-term value. He urged strengthening the Privatization Commission's capacity to ensure timely and informed decisions.

Pakistan remains committed to completing the Roosevelt Hotel's partial sale this year as part of its broader economic reforms, aiming to reduce losses from state-owned assets and

fulfill IMF requirements.