



LVMH to Sell Santa Barbara's El Encanto Hotel for \$82.2 Million

(Bloomberg) -- French luxury giant LVMH Moët Hennessey Louis Vuitton SE is selling its only US hotel, the El Encanto in Santa Barbara, California.

The 90-room property — in a coastal getaway northwest of Los Angeles — is being purchased by a partnership of brothers Justin and Tyler Mateen and Culver Capital, according to representatives for the buyers. The price is \$82.2 million, they said.

“We look at it as we’re buying 20% of the class A luxury hospitality market in Santa Barbara, which we believe is a growing market,” Tyler Mateen said in an interview Monday.

The sale price per room — about \$900,000 — is comparable to other recent resort transactions in coastal California, where strict government regulations and a scarcity of land create high barriers to entry, according to Alan Reay, president of Atlas Hospitality Group, a hotel brokerage based in Newport Beach.

“It may look expensive today, but 10 or 20 years from now it looks like a good deal,” Reay said.

A spokesperson for LVMH declined to comment on the transaction but said LVMH-owned Bvlgari Hotels & Resorts plans to open a hotel in Miami Beach, Florida, in 2028.

The El Encanto’s new owners say they plan to manage the property themselves, meaning it will no longer be part of the Belmond chain, a group of resorts that LVMH purchased in 2019.

“This property embodies the essence of California living and offers an experience like no other hotel on the Central Coast,” Garrett Cayton of Culver Capital, and the co-owner of The Discerning Travellers luxury travel agency, said in a statement.

The Mateens have a growing portfolio of real estate and technology investments. Justin Mateen was a co-founder of the dating app Tinder. The brothers paid \$69 million last month for a shopping center on Hollywood Boulevard in Los Angeles, and last year bought an office and retail complex on Rodeo Drive in Beverly Hills for \$211 million.

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©2025 Bloomberg L.P. - Créé le 07 juil. 25 à 22:00 - Révisé le 07 juil. 25 à 22:21.

