

STRATEGIC HOTELS & RESORTS, INC  
Form SC 13G  
December 11, 2006

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OMB APPROVAL  
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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

SCHEDULE 13G

Under the Securities Exchange Act of 1934

(Amendment No.\_\_) \*

STRATEGIC HOTELS & RESORTS, INC

-----  
(Name of Issuer)

Common Stock

-----  
(Title of Class of Securities)

86272T106

-----  
(CUSIP Number)

NOVEMBER 30, 2006

-----  
(Date Of Event which Requires Filing of this Statement)

Check the appropriate box to designate the rule pursuant to which this Schedule is filed:

- Rule 13d-1(b)
- Rule 13d-1(c)
- Rule 13d-1(d)

\*The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter the disclosures provided in a prior cover page.

The information required in the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

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SEC 1745 (3-06)

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1. NAME OF REPORTING PERSON:  
I.R.S. IDENTIFICATION NO. OF ABOVE PERSON:

Morgan Stanley  
I.R.S. #36-314-5972

2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP:

(a) [ ]

(b) [ ]

3. SEC USE ONLY:

4. CITIZENSHIP OR PLACE OF ORGANIZATION:

The state of organization is Delaware.

NUMBER OF SHARES	5.	SOLE VOTING POWER: 5,852,674
BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH:	6.	SHARED VOTING POWER: 634
	7.	SOLE DISPOSITIVE POWER: 5,852,674

	8.	SHARED DISPOSITIVE POWER: 634
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9. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON:  
7,775,777

10. CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES:

[ ]

11. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9):  
10.3%

12. TYPE OF REPORTING PERSON:  
HC, CO

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1. NAME OF REPORTING PERSON:  
I.R.S. IDENTIFICATION NO. OF ABOVE PERSON:

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Morgan Stanley Investment Management Inc.  
I.R.S. #13-304-0307

2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP:

(a) [ ]

(b) [ ]

3. SEC USE ONLY:

4. CITIZENSHIP OR PLACE OF ORGANIZATION:

The state of organization is Delaware.

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH:	5. SOLE VOTING POWER: 5,423,342
	6. SHARED VOTING POWER: 0
	7. SOLE DISPOSITIVE POWER: 5,423,342
	8. SHARED DISPOSITIVE POWER: 0

9. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON:  
6,998,379

10. CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES:

[ ]

11. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9):  
9.3%

12. TYPE OF REPORTING PERSON:  
IA, CO

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Item 1. (a) Name of Issuer:  
STRATEGIC HOTELS & RESORTS, INC

(b) Address of Issuer's Principal Executive Offices:  
77 W WACKER DR  
STE 4600  
CHICAGO, IL 60601

Item 2. (a) Name of Person Filing:  
(1) Morgan Stanley  
(2) Morgan Stanley Investment Management Inc.

(b) Address of Principal Business Office, or if None, Residence:  
(1) 1585 Broadway  
New York, NY 10036

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(2) 1221 Avenue of the Americas  
New York, NY 10020

- (c) Citizenship:  
(1) The state of organization is Delaware.  
(2) The state of organization is Delaware.  
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- (d) Title of Class of Securities:  
Common Stock  
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- (e) CUSIP Number:  
86272T106  
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Item 3. If this statement is filed pursuant to Sections 240.13d-1(b) or 240.13d-2(b) or (c), check whether the person filing is a:

- (a)  Broker or dealer registered under Section 15 of the Act (15 U.S.C. 78o).
- (b)  Bank as defined in Section 3(a)(6) of the Act (15 U.S.C. 78c).
- (c)  Insurance company as defined in Section 3(a)(19) of the Act (15 U.S.C. 78c).
- (d)  Investment company registered under Section 8 of the Investment Company Act of 1940 (15 U.S.C. 80a-8).
- (e)  An investment adviser in accordance with Section 240.13d-1(b)(1)(ii)(E);  
Morgan Stanley Investment Management Inc.
- (f)  An employee benefit plan or endowment fund in accordance with Section 240.13d-1(b)(1)(ii)(F);
- (g)  A parent holding company or control person in accordance with Section 240.13d-1(b)(1)(ii)(G);  
Morgan Stanley
- (h)  A savings association as defined in Section 3(b) of the Federal Deposit Insurance Act (12 U.S.C. 1813);
- (i)  A church plan that is excluded from the definition of an investment company under Section 3(c)(14) of the Investment Company Act of 1940 (15 U.S.C. 80a-3);
- (j)  Group, in accordance with Section 13d-1(b)(1)(ii)(J).

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Item 4. Ownership as of November 30, 2006.

(a) Amount beneficially owned:  
See the response(s) to Item 9 on the attached cover page(s).

(b) Percent of Class:  
See the response(s) to Item 11 on the attached cover page(s).

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(c) Number of shares as to which such person has:

- (i) Sole power to vote or to direct the vote:  
See the response(s) to Item 5 on the attached cover page(s).
- (ii) Shared power to vote or to direct the vote:  
See the response(s) to Item 6 on the attached cover page(s).
- (iii) Sole power to dispose or to direct the disposition of:  
See the response(s) to Item 7 on the attached cover page(s).
- (iv) Shared power to dispose or to direct the disposition of:  
See the response(s) to Item 8 on the attached cover page(s).

Item 5. Ownership of Five Percent or Less of a Class.  
Not Applicable

Item 6. Ownership of More Than Five Percent on Behalf of Another Person.

Accounts managed on a discretionary basis by Morgan Stanley Investment Management Inc., a wholly owned subsidiary of Morgan Stanley, are known to have the right to receive or the power to direct the receipt of dividends from, or the proceeds from the sale of such securities.

Item 7. Identification and Classification of the Subsidiary which Acquired the Security Being Reported on By the Parent Holding Company.  
See Exhibit 99.3

Item 8. Identification and Classification of Members of the Group.  
Not Applicable

Item 9. Notice of Dissolution of Group.  
Not Applicable

Item 10. Certification.

By signing below I certify that, to the best of my knowledge and belief, the securities referred to above were acquired and are held in the ordinary course of business and were not acquired and are not held for the purpose of or with the effect of changing or influencing the control of the issuer of the securities and were not acquired and are not held in connection with or as a participant in any transaction having that purpose or effect.

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Signature.

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Date: DECEMBER 11, 2006

Signature: /s/ Jill Ostergaard  
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Name/Title: Jill Ostergaard/Managing Director, Morgan Stanley

-----  
MORGAN STANLEY

Date: DECEMBER 11, 2006

Signature: /s/ Carsten Otto

Name/Title: Carsten Otto/Managing Director, Morgan Stanley Investment  
Management Inc.

-----  
Morgan Stanley Investment Management Inc.

EXHIBIT NO.	EXHIBITS	PAGE
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99.1	Joint Filing Agreement	7
99.2	Secretary's Certificate Authorizing Jill Ostergaard to Sign on behalf of Morgan Stanley	8
99.3	Item 7 Information	9

\* Attention. Intentional misstatements or omissions of fact constitute federal  
criminal violations (see 18 U.S.C. 1001).

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EXHIBIT NO. 99.1 TO SCHEDULE 13G  
JOINT FILING AGREEMENT

-----  
DECEMBER 11, 2006  
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MORGAN STANLEY and MORGAN STANLEY INVESTMENT MANAGEMENT INC.,  
hereby agree that, unless differentiated, this  
Schedule 13G is filed on behalf of each of the parties.

MORGAN STANLEY

BY: /s/ Jill Ostergaard

-----  
Jill Ostergaard/Managing Director, Morgan Stanley

MORGAN STANLEY INVESTMENT MANAGEMENT INC.

BY: /s/ Carsten Otto

-----  
Carsten Otto/Managing Director, Morgan Stanley Investment  
Management Inc.

\* Attention. Intentional misstatements or omissions of fact constitute federal  
criminal violations (see 18 U.S.C. 1001).

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EXHIBIT NO. 99.2  
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MORGAN STANLEY

SECRETARY'S CERTIFICATE

I, Charlene R. Herzer, a duly elected and acting Assistant Secretary  
of Morgan Stanley, a corporation organized and existing under the  
laws of the State of Delaware (the "Corporation"), certify as  
follows:

- (1) Gary G. Lynch is the duly elected Executive Vice President,  
Chief Legal Officer and Secretary of the Corporation;
- (2) Pursuant to Section 7.01 of the Bylaws of the Corporation  
and resolutions approved by the Board of Directors of the  
Corporation on September 25, 1998, the Chief Legal Officer  
is authorized to enter into agreements and other instruments  
on behalf of the Corporation and may delegate such powers  
to others under his jurisdiction; and
- (3) Mr. Lynch signed a Delegation of Authority, dated as of  
April 7, 2006, which authorized Stuart J. M. Breslow,  
Dennine Bullard, John H. Faulkner, Christopher L. O'Dell  
and Jill W. Ostergaard to sign reports to be filed under  
Section 13 and 16 of the Securities Exchange Act of 1934  
on behalf of the Corporation. Such authorization is in full  
force and effect as of this date

IN WITNESS WHEREOF, I have hereunto set my name and affixed the seal  
of the Corporation as of the 10th day of July, 2006.

\_\_\_\_\_  
Charlene R. Herzer  
Assistant Secretary

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EXHIBIT NO. 99.3  
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ITEM 7 INFORMATION

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The securities being reported upon by Morgan Stanley as a parent holding company are owned, or may be deemed to be beneficially owned, by Morgan Stanley Investment Management Inc., an investment adviser in accordance with Rule 13d-1(b)(1)(ii)(E) as amended. Morgan Stanley Investment Management Inc. is a wholly-owned subsidiary of Morgan Stanley.