

FINANCIAL REVIEW

Property

Yeh Family wants \$80m for CBD hotel

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The Taiwanese hotel developer Yeh Family is shopping around for buyers for its 80-room Sydney CBD hotel on 88 Liverpool Street, with an asking price of around \$75 million to \$80 million.

If the sale goes through, it would represent a massive premium for the private group, which bought the heritage Federation building formerly known as Kent House in 2011 from long-time owner the Spanish Club for \$9 million.

Since the sale in 2011, the family has forked out about \$15 million to refurbish and split the fatigued building into retail and restaurant strata as well as the hotel named Sydney Hotel CBD. The 80 hotel rooms range between single to family rooms.

The nine-storey building was previously used as club premises by the Spanish Club, as a place of gathering for Spaniards in Sydney.

The turn-of-the-century former trading house has a bold facade.

It is understood that at least three Chinese investor groups are scrambling for the property, and negotiations are under way. Some buyers have indicated the price was steep.

But in a market that values hotels as the premier commercial property investment, as seen in the latest NAB Commercial Property Survey, released yesterday, a sharp price was unlikely to deter investors.

In recent times, in the southern end of the CBD where Sydney Hotel CBD is located, several residential/hotel plans have emerged to create a density of similar projects, including the transformation of the infamous Sydney Irish pub Scruffy Murphy's into a brand new 40-storey hotel and residential tower.

Yeh Family has several boutique hotels in the CBD aside from 88 Liverpool Street. It has also lodged plans with the Sydney City Council to transform the nine-level 143-145 York Street heritage-listed commercial building into a hotel.

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