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Hotel handover complete for Singapore buyer

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SINGAPORE'S Chip Eng Seng Corporation has completed its \$43 million acquisition of the Mercure & Ibis Styles Grosvenor Hotel as foreign investors continue to circle Adelaide's property market.

The deal settled last week, and is the Singapore group's second hotel buy in Australia after its earlier acquisition of the 84-room Sebel Mandurah in Perth for \$15 million.

The Adelaide hotel has 245 guest rooms, comprising 181 rooms operated under the Mercure brand and 64 economy rooms run as Ibis Styles.

It is operated by Accor, with other facilities including the Federal Restaurant and Bar, conference rooms and function space.

JLL SA managing director Jamie Guerra, who brokered the deal, said the sale campaign attracted more than 100 inquiries, with bids received from Singapore, China, local private investors and interstate funds.

"Interest from overseas and interstate was driven from the value-add opportunity of the location with significant infrastructure spend in the North Tce precinct," he said. "CEL Development (a division of Chip Eng Seng) plans to take over the hotel and review the future redevelopment longer term." JLL took the property to the international market last year, noting its strategic 3794sq m site, which offered a range of redevelopment options. The hotel's retail component, fronting Hindley St, was marketed as an option for major redevelopment. The property, pictured right, was upgraded in 2013.

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