

FINANCIAL REVIEW

SE **Property**
HD **WA hotel nets \$16.5m**
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The Criterion **Hotel** in Perth has **sold** to Singapore investment **company** Sunland Australasia Properties for \$16.5 million.

The 3.5 star **hotel** with 69 guest rooms, a restaurant, bar, bottle shop and conference facilities was formerly the Regatta **Hotel** Complex and is notable for its art deco facade.

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It was offloaded by a Singaporean family, who had redeveloped the Hay Street **site**, building a 134 **apartment** complex on one half and retaining the **hotel**.

It is the first Australian acquisition for Sunland Australasia Properties, a private **company** unrelated to listed Australian developer Sunland. Criterion business manager Edwin Hartono is one of its directors alongside three Singaporeans.

The **company** plans to renovate the **hotel** and re-open it as a boutique **hotel** offering. The **sale** of The Criterion was brokered by Aaron Desange of the JLL Hotels & Hospitality **Group**.

Mr Desange said the Perth CBD **hotel** market remained attractive as an investment destination for offshore capital with interest in The Criterion and other CBD **hotel** coming from south-east Asian, **Chinese** and domestic investors.

"Within a 20-kilometre radius of the city, there is strong interest. It's a little softer outside of this market," he said. Boutique hotels are desirable

"Mid-scale boutique hotels that are available with vacant possession and have the ability to be repositioned are exceptionally desirable to **purchasers**."

The Perth CBD **hotel** market has softened recently due to a drop in demand from business visitors as the mining investment boom slows, but it remains an overall strong market with an occupancy rate close to 85 per cent and an average nightly room rate of \$213, according to STR Global/JLL May figures.

Deloitte has forecast a fall of 5 percentage points in Perth **hotel** occupancy rates from 84.8 to 79.8 per cent between now and 2016 as more than 2000 rooms are added to the market

Mr Desange said many of these projects were only mooted. "Only three or four are real projects," he said.

Hong Kong-based Langham Hotels is eyeing a new five-star **hotel** in Perth and Singapore's SilverNeedle Hospitality is set to announce a second Sage **Hotel** to be built in west Perth.

Hilton hotels has announced plans to open two further DoubleTree hotels in Perth and Fremantle, while serviced **apartment** operator Quest will open five hotels across Perth, Fremantle and Rockingham over the next 2½ years in partnership with local developers and investors.

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