

FINANCIAL REVIEW

SE Property
HD **Chinese private group buys Park Regis for \$46m**
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WC 417 words
PD 29 August 2016
SN The Australian Financial Review
SC AFNR
ED First
PG 32
LA English
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Sydney-based private hotel company Staywell Hospitality Group has sold its Park Regis Hotel in the Sydney CBD to a Chinese private capital group for \$46 million.

The new owner bought the hotel through its operating company, Melbourne-based financial planning company Cornerstone Capital.

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The same private equity group is also currently in exclusive due diligence to buy the residential development-approved 333 Kent Street building for \$90 million. Park Regis is its second acquisition in the last few weeks.

The 122-room hotel at 27 Park Street was sold with a long 15-year management agreement to the private equity group, which acquired the Park Regis because its replacement value was attractive given the low hotel stock in the Sydney CBD.

Hotel investments such as the Park Regis are hard to come by in Sydney, with many investors holding on to tight stock.

Hotels for sale have been snapped up at top prices in recent times as seen with the \$445 million sale of the landmark Westin Hotel to Singapore's Far East Organization and Hong Kong's Sino Group and the Sydney Hilton Hotel sold to Singapore-based Bright Ruby for \$442 million last year.

It is understood Park Regis' new owner has been in business in Australia for about eight years, and is backing the Salter Brothers' investment in the \$500 million IHG Hotel portfolio acquired from Eureka Funds Management late year.

The portfolio of hotels includes the Intercontinental Hotel in Melbourne, Crowne Plaza Melbourne, Crowne Plaza Coogee, Crowne Plaza Canberra and Holiday Inn Potts Point, and is now owned by the Salter Brothers and property investor Lorenz Grollo's joint SB&G Hotel Group.

Staywell Hospitality in the meantime is targeting more Asian property acquisitions and is in discussions to develop new hotels in Perth, Adelaide and Darwin as it seeks to build a 100-strong hotel chain and a near \$500 million balance sheet within three years, the group told the Australian Financial Review two years ago.

Staywell currently operates 35 hotels under its Park Regis and Leisure Inn brands, in Australia, India, Singapore, Bali and Dubai. It has also expanded to New Zealand and the UK and is looking at expansions to China.

Chief executive Simon Wan founded Staywell nine years ago alongside Richard Doyle, a former partner at Baker & Mackenzie.

Colliers International's Raymond Tran and Gus Moors, who handled the sale of Park Regis, declined to comment.

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AN Document AFNR000020160828ec8t0001c