

SE News
HD **MIRAGE PLAN NO TALL TALE**
BY QUENTIN TOD
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Two Gold Coast **hotel** sites are proving real gems with international firms that are keen to raise the stakes, and the roof, to capitalise on their unique potential.

THE late Christopher Skase might well have been appalled, but there's a chance the glamorous Sheraton Mirage **Hotel** he built on The Southport Spit could have a taller future.

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The beachfront **hotel** was put on the market last month by its Indian owner, Pearls, which is aiming to capitalise on what agents handling the **sale** have described as a "red hot" market for hotels. It is believed at least two potential Sheraton buyers are looking at the feasibility of greatly expanding the **hotel** by going higher.

There's one big problem – there is a three-level height limit on the Sheraton **site** and any major extra development might be unviable if the limit were not lifted. That said, the Skase-built Marina Mirage across the road effectively is, thanks to its sails, more than five levels high.

There's also one smaller problem for any expansion-minded Sheraton buyer – they might not be able to move forward for eight years.

Sheraton's management agreement expires in 2017 but it has an option to renew until 2022. That might not be a major worry for a buyer with long vision as the **hotel**'s income could go a long way to covering holding costs.

The Sheraton sits on a 4ha leasehold **site**, one that dwarfs the 1.3ha parcel on the southern side of Surfers Paradise for which the Jewel project is earmarked. **China**'s Ridong **group** bought the Jewel **site**, which also is absolute beachfront, for \$81.8 million in 2009.

It doesn't take an Einstein to work out that the Sheraton, if height limits were raised even modestly, could be worth well north of \$200 million.

With both the mayor and the State Government very 'pro' on the development front, anything is possible.

An indication of the thinking is the towers that be could come across the road at Mariner's Cove, where the Sunland **group** is mooting a redevelopment that would provide 370 apartments. It is believed they are intended, if approvals can be gained, to be in two buildings that would be at least medium rise in height.

The Mariner's Cove **site**, like the Sheraton land, has a three-level height limit. It seems there has been major offshore interest, much of it **Chinese**, in the Sheraton since it was put on the market on August 13.

That's great news for Pearls, which bought the 295-room **hotel** for \$62.5 million in 2009, gave it a \$26 million facelift, and at one point was considering adding another 300 rooms.

Marketing material describes the **property** as an “unquestionable development opportunity” and raises doubts over whether a 4ha beachfront **site** could ever be assembled on the Gold Coast again. If buyers agree, the Sheraton investment could become a real gem for Pearls.

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