

FINANCIAL REVIEW

SE Property

HD Pub run rolls on with \$34m Oxford sale

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WC 322 words

PD 16 November 2015

SN The Australian Financial Review

SC AFNR

ED First

PG 34

LA English

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LP Iris Capital has sold the Oxford Hotel in the Sydney suburb of Drummoyne for \$34 million, making it the second-biggest gaming hotel sale of the year, behind the \$40 million sale of the Oasis on Beamish in Western Sydney in May.

The Oxford Hotel, at 195 Victoria Road, was purchased by private operators Michael Wiggins and Joanne Cassar, who will partially fund the acquisition with the sale of the Royal Exhibition Hotel in Surry Hills.

TD The Oxford, which has 30 gaming machines, just underwent a \$4 million renovation, and the sale includes an adjacent retail property.

Iris Capital, a hospitality and development company, has been both a buyer and seller of real estate this year. It bought the iconic Bourbon bar and restaurant in Kings Cross, but later sold the nearby Crest Hotel site and the Crown Hotel in Parramatta to China's largest developer, Greenland Group.

Sam Arnaout, chief executive of Iris Capital, said the group constantly assesses the market and looks at assets individually.

"We are continually assessing market conditions and identified a quality asset such as the Oxford would generate a premium in this climate," he said.

The deal was negotiated on behalf of Iris Capital by Daniel Dragicevich of CBRE Hotels and John Musca of JLL Hotels & Hospitality Group.

"The market has again experienced a year of high asset turnover and sales activity as the spread between capitalisation and borrowing rates remains attractive to both existing participants and new entrants into the pubs sector," Mr Dragicevich said.

Mr Musca said the sale was one of many top gaming hotels to trade this year. The pricing level reflects asset supply constraints and earnings growth more than yield compression, he said.

The properties occupy a combined 974-square-metre site, which could be developed further, with the potential for height increases and scope for a rooftop bar.

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AN Document AFNR000020151115ebbg0000m

