

# FINANCIAL REVIEW

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## Tabet gets the keys to Royce

**HOTELS:** Prominent Melbourne hotelier and pub baron Mazen Tabet has agreed to terms to buy Melbourne's luxury Royce Hotel in St Kilda in a deal worth about \$55 million, even though market expectations for the boutique property were initially put at more than \$60m.

Mr Tabet beat Hong Kong-based Ovolo Hotels to snare the 100-room Royce Hotel fronting 387 St Kilda Road, which sports a 1920s art deco facade and was the site of the city's first Rolls-Royce car dealership.

The vendors are Melbourne-based private owners and hotel operators the Bursztyn family who have been developing the hotel since 2000 from the old showroom site.

Included in the deal is an office building on the 2164sq m site. Agents McVay Real Estate, who offered the hotel for sale via an international expressions-of-interest campaign, declined to comment.

Mr Tabet, who sold Sydney's Woolloomooloo Bay Hotel to Roy Medich for \$15.5m seven years ago, recently set up a holding company, Royce Hotel Business Pty Limited, registered to the hotel's address on the leafy Melbourne boulevard, public records reveal.

The five-star hotel was offered with vacant possession and drew a host of bids from owner operators clamouring to



The Royce Hotel

get into the Victorian capital, where hotels are performing strongly.

The Royce Hotel has a series of high-profile food and beverage offerings, including dish restaurant and the Amberoom lounge bar. It also has conferencing and event facilities.

The adjoining office building has a net lettable area of 1125sq m and, long-term, there is development approval across both the hotel and office building sites, to add a further 67 hotel rooms, a larger ballroom, a rooftop gym and ground-floor retail. Mr Tabet, who could not be reached for comment yesterday, has been trying to sell the Tankerville Arms Hotel in Fitzroy with market expectations of \$20m.

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