

Mirvac, NRMA to sell \$550m of hotel assets

Portfolio

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Mirvac and the NRMA have put one of the country's largest hotel portfolios on the market with expectations it could fetch up to \$550 million – as the accommodation sector begins to slowly recover from the devastating impacts of the pandemic.

Held in the unlisted Tucker Box Hotel Trust, the jointly-owned portfolio is made up of 11 Travelodge hotels and more than 2000 rooms managed by Toga Far East Hotels.

Seven of the 11 hotels are in Sydney, including two in the city centre at Wynyard and Martin Place, with one hotel each in Newcastle, Brisbane, Melbourne's Southbank and Perth.

The COVID-19 pandemic sent occupancy rates tumbling into the single digits at the height of the lockdown and forced the temporary closure of hundreds of hotels and about 240,000 hotel rooms across the country.

It also froze the hotel investment market amid expectations values could fall up to 30 per cent.

However, the market has started to thaw – Syrian billionaire Ghassan Aboud's Crystalbrook Collection acquired The Fantauzzo Brisbane Art Series Hotel for between \$70 million and \$75 million this week, the first major post-COVID-19 hotel deal.

Given the prime locations of the majority of the Travelodge portfolio and the development potential of some of the sites, the portfolio is expected to generate significant interest from institutional investors.

In a statement, a spokeswoman for Mirvac said the Tucker Box Hotel Trust was being sold via an off-market process "following receipt of a number of unsolicited offers".

McVay Real Estate and Credit Suisse will manage the sales process with the option for a new owner to acquire the portfolio with vacant possession.

Last year, Mirvac had sought to sell its 50 per cent share to the NRMA, but the two parties could not come to an agreement and the deal fell through.

According to Mirvac's 2020 annual report, the portfolio was independently valued at \$520 million as of June 30.