

Kumars pay A\$100m for 3 more hotels in Australia

MELBOURNE — Singapore investor Royal Brothers Pte Ltd has in the past six months spent about A\$200 million (S\$224 million) of the A\$300 million it has earmarked to buy Australian and New Zealand hotels.

Its latest acquisition has been three hotels, costing a total of A\$100 million, from the Commonwealth Bank Officers Superannuation Corp. They were managed by the Rydges Hotel Group which exercised its option, buying the properties and on-selling them to Royal Brothers.

The properties are the 166-room Northside Gardens Hotel in North Sydney, the 205-room Lakeside Hotel in Canberra and the 363-room Bryson Hotel in the heart of Melbourne.

The family-owned Singapore company had its first foray into the hotel property market when it bought the Auckland Parkroyal in New Zealand last October for A\$20.9 million.

Raj Kumar, who heads the company with this brother Asok Kumar, said he was negotiating with vendors of other hotels. — Bernama

Royal Brothers buys more Australian hotels

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The family-owned Singapore company, traditionally a retail property investor, had its first foray into the hotel property market when it bought the Auckland Parkroyal in New Zealand last October for A\$20.9 million.

This was followed early last month when Royal

Brothers bought the Perth International Hotel for close to A\$26 million and has agreed to buy the unfinished Times Square project in Brisbane, believed to be worth more than A\$45 million.

Mr Raj Kumar, who heads the company with this brother Asok Kumar, told The Australian newspaper that he was negotiating with vendors of other hotels.

Royal Brothers is reported to be negotiating to buy the Quality Princes Hotel in Perth, owned by the Indonesian-based Summa Investments Ltd. It is expected to fetch between A\$16 million and A\$17 million.

Mr Raj Kumar was quoted as saying the undervalued Australian hotels present a good opportunity to investors.

They could be bought for A\$120,000 a room, when it would cost A\$200,000 a room to build a new hotel.

"The income is good. You can get a return of 12 to 15 per cent when interest rates are only at 5 per cent," he said. — Bernama.
