

Singapore company buys Auckland hotel

By TURI CONDON

A SINGAPORE family-owned property company, the Royal Brothers Pte Ltd, has made its first foray into the New Zealand property market, buying the Auckland Parkroyal hotel for \$NZ25 million (\$21 million).

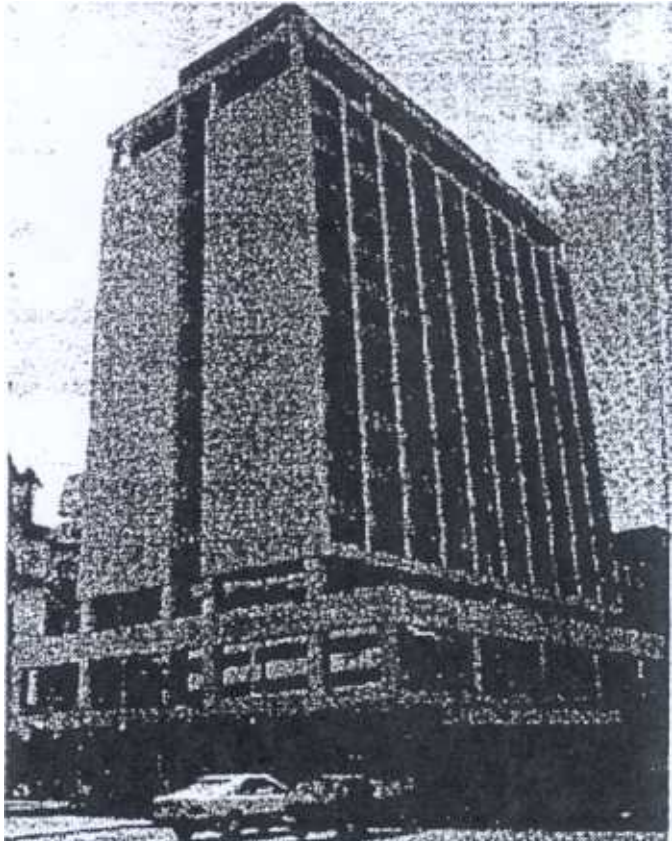
The acquisition will result in a change of hotel operator to Accor Asia Pacific, but it is understood Accor has yet to sign a management agreement on the property and the current operator, Southern Pacific Hotel Corporation, has some months before it would have to hand over the hotel under the terms of its agreement. SPHC has five years to run on its existing management contract.

The marketing information memorandum for the 188-room hotel lists a purchasers termination payment to SPHC of more than \$1 million.

The Royal Brothers have looked extensively at hotel and office property in Australia over the past three years including the Darling Harbour Parkroyal, the Parramatta Parkroyal and The Boulevard hotel in Sydney, but the group is yet to make an Australian purchase.

Royal was established in 1947 and is headed by brothers Asok and Raj Kumar with assets mostly in Singapore retail property including the Lucky Plaza centre.

The property was sold by the DB Group, the owner of Dominion Brewing, which was formerly headed by Mr James Strong who started



NEW OWNER: The Parkroyal, soon to be the Novotel

yesterday as Qantas's new managing director.

The sale, which was negotiated by the joint managing director of JLW TransAct, Mr Peter Barge, is expected to settle in 60 days.

The deal also represents Accor Asia Pacific's first New Zealand management, with the hotel to be operated under the Novotel brand.

Accor Asia Pacific managing director, Mr Raymond Capdevila, said the group wanted to expand further in New Zealand.

The 14-storey hotel is in Auckland's CBD on Queen Elizabeth Square. The older-style hotel was refurbished in 1987 and includes six conference rooms, two bars and a brasserie.