



Pub Leaders Summit 2021

John Musca
Managing Director, JLL Hotels & Hospitality

Can we believe what we read?

44 THE WEST AUSTRALIAN WEDNESDAY SEPTEMBER 29 1993

**COLLIERS
JARDINE**

18th Floor Central Park
152/158 St Georges Tce, Perth. 261 6666

PROPERTY

WITH KIRSTEN STONEY

Richard Ellis

International Property Consultants

Telecom still talking over project bids

TELECOM Australia is continuing negotiations with big WA construction groups vying to build its \$17 million facility at Balcatta.

Tenders for the project closed last week but a Telecom spokesman said yesterday it was still considering submissions and negotiating with companies including Multiplex, Consolidated Constructions, Transfield Group, Leighton Contractors, Fletcher Construction Australia and Thiess Contractors.

Telecom expects it will be able to announce the successful tenderer by late next week. It has set an October 28 deadline for its final decision.

Its customer service, faults, sales and maintenance departments will occupy the Balcatta site by the end of next year.

Telecom's customer service centre for northern suburbs customers already is based at Balcatta.

"The plan was virtually to double the size of the existing facility," the Telecom spokesman said.

The successful tenderer will buy the existing Balcatta land and buildings, redevelop the site to Telecom specifications then lease it back to Telecom for between 11 and 16 years.

The invited tenderers were asked to submit two plans — to extend the existing 3500sqm building to 7000sqm or to construct a new building.

The Telecom project will be the first facility of its type in Australia.

**GERALDTON
FOR SALE**

Suburban hotels hit financial crossroads

By KIRSTEN STONEY

PERTH'S big suburban hotels have fallen out of favour, sparking a spate of sales to developers in the past 18 months.

Investors are buying the ailing properties — built on prime, big building sites — and either demolishing or redeveloping them into financially viable operations like retail and other commercial outlets.

Industry experts say traditional suburban hotels — beer bars with three separate bars that once relied on live entertainment and bar sales — are relying on bottleshop sales rather than pulling beers to survive.

"These types of hotels, which represent about 60 per cent of licensed hotels in Perth, have become financial dinosaurs to run," said JLV TransAct manager John Musca.

"Federation-style hotels are being bought for development as brasseries and bars. New developments on old pub sites are likely to include licensed premises but also retail, residential and other commercial properties."

Of at least 10 Perth hotels



TWO-UP: Charles Hotel owner Costa Angelkov, left, shares a beer with JLV TransAct manager John Musca

JLV TransAct has sold nine hotels raising \$14.7 million this year alone.

But Costa Angelkov, who bought the Charles Hotel last year for \$1.4 million, said he had no plans to alter the big North Perth property which relied on bottleshop sales.

men will be redeveloped to include retail outlets, showrooms, a small tavern and bottleshop.

The syndicate, headed by former Hanson Bridge boss Glenn Bridge, also has an option to buy the site.

Mr. Bridge, now a private

The Morley Park Hotel, sold to a syndicate for about \$2.4 million earlier this week, is likely to be redeveloped. It adjoins the \$220 million redevelopment by Colonial Mutual and Coles Myer at the Morley City shopping centre.

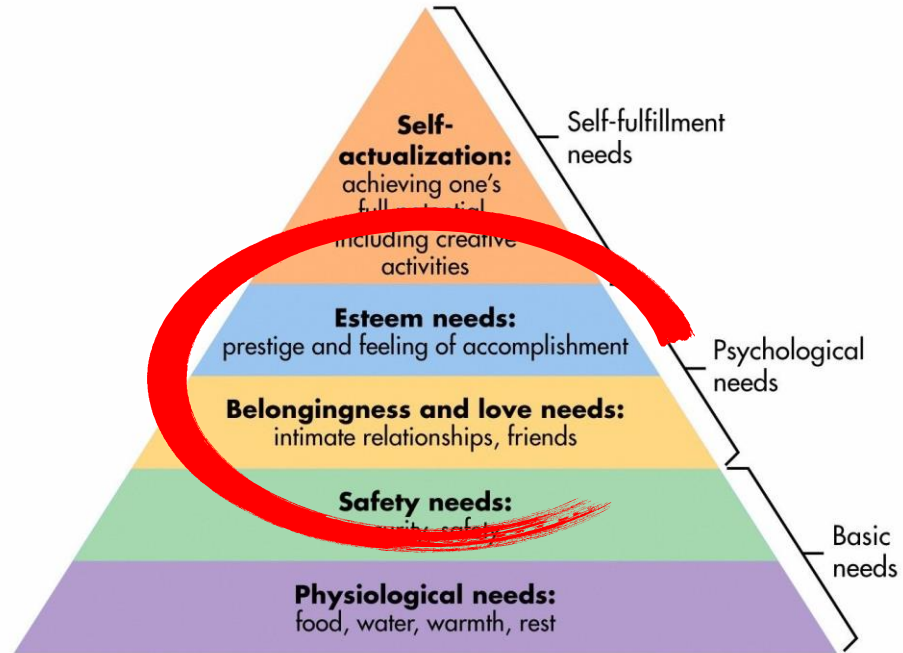
The Vegas Hotel, recently bought by BP Australia for \$1.6 million, will be demolished to allow a \$2 million project which will incorporate two fast food outlets, a 24-hour convenience store and a petrol station.

The Dianella Hotel, owned by Sangora Holdings, has been given a facelift. A new food and beverage outlet, a brasserie and bottleshop, an upmarket bar and a 450-seat function centre have been added.

Meanwhile, firm negotiations with potential buyers for the Belmont Hotel are continuing, according to Richard Ellis hotel and leisure director David Kennedy. Belmont Forum owner Perron Group is understood to be interested in buying the site. A spokesman declined to comment.

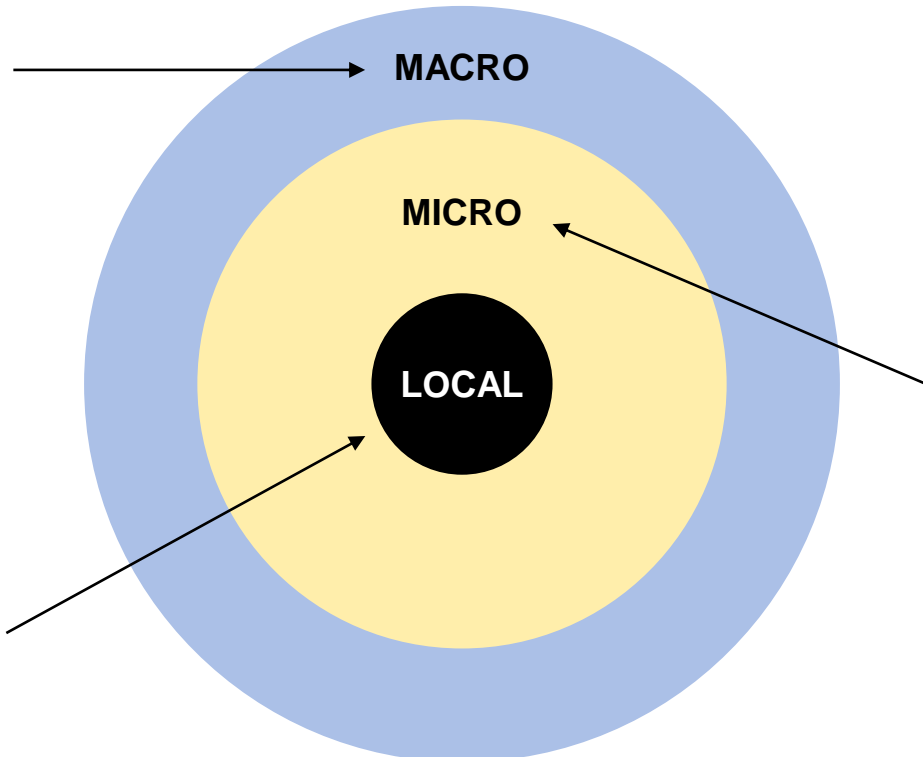
Mr Kennedy said big suburban hotels were inefficient because of their size and dated

Motivations



Environmental Context

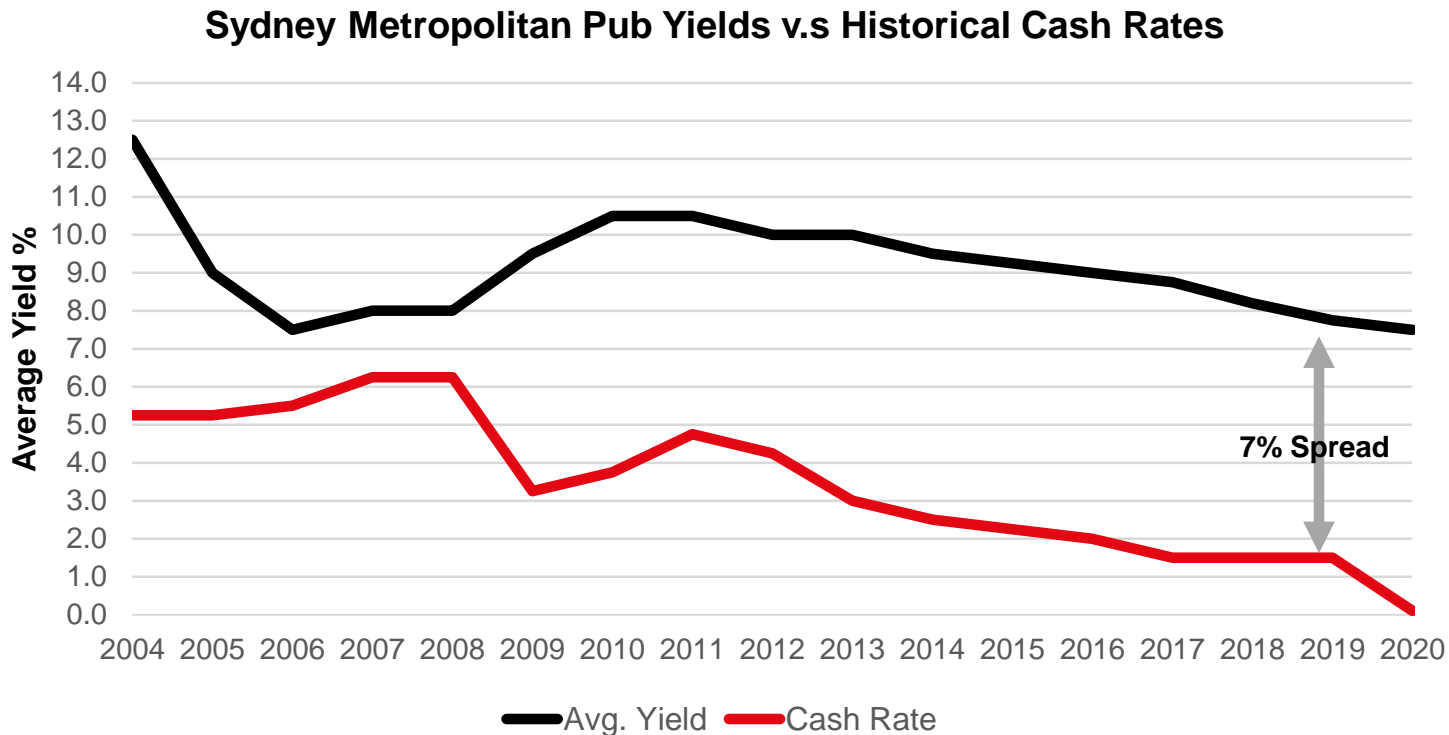
- Note takers in SA
- Border closures/social distancing regulations
- Lockout legislation NSW



- Rezoning
- New hospital
- Redirection of arterial

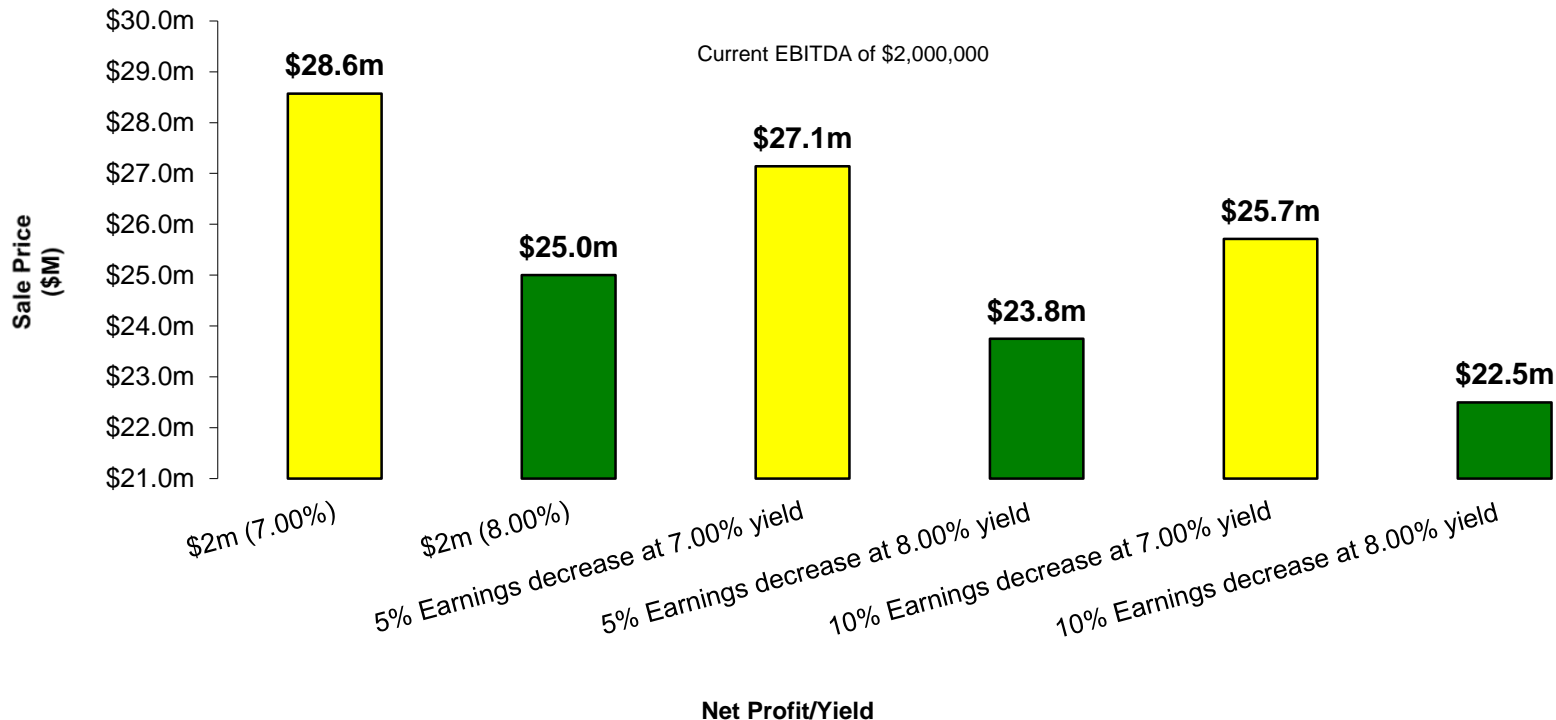
- Incumbent operator complacency
- CapEx requirements

Yield v cost of debt



Yield sensitivity

Pricing Sensitivity EBITDA v Yield fluctuation



National team



WESTERN AUSTRALIA
Chloe Mason



VIC / TAS / SA
Will Connolly



QUEENSLAND
Tom Gleeson



QUEENSLAND
Scott Parker



NATIONAL
John Musca



NEW SOUTH WALES
Ben McDonald



NEW SOUTH WALES
Kate MacDonald



NEW SOUTH WALES
Greg Jeloudev

10 years as #1 **Hotels** investment advisor in Asia Pacific

Real Capital Analytics 2020

