



09 July 2021

ACQUISITION OF COURT HOUSE HOTEL, MURWILLUMBAH

Eumundi Group Limited (“**Eumundi**”), the Queensland based hotel and investment property company, is pleased to announce that it has entered into a contract for the purchase of the land and buildings of the Court House Hotel, Murwillumbah on the NSW far north coast, through a subsidiary Eumundi Property Group Pty Ltd (the “**Group**”). The purchase is unconditional, following completion of commercial due diligence.

Centrally located in the main street of Murwillumbah, the two-story Court House Hotel occupies an 898 sqm block, offering public bar, bistro with alfresco dining, beer garden, gaming room with 21 gaming machines and 14 accommodation rooms.

The investment comprises the acquisition of the hotel land and building assets. The hotel business will be owned and operated by former Dixon Hospitality stakeholder, Michael Dixon, under the Athena Hospitality Group banner (“**Lessee**”).

The Lessee will be taking a lease from the Group for an initial term of 15 years with four further options of 10 years each. The lease is a triple net lease, with all outgoings and the costs of capital and structural repair and maintenance payable by the Lessee.

The purchase price of \$6.0 million for the land and buildings represents an initial net cap rate of 6.25%, with annual rises of 3%. Rent will be reviewed to market at the commencement of the 6th year of the lease, with a minimum rent increase on the prior year of 3% and a maximum increase of 15%. The lease is supported by a three-month bank guarantee, plus directors’ guarantees.

The purchase will be funded through approved facilities from Eumundi’s bankers, the NAB. The Group will have net borrowings of approximately \$34.4 million post the transaction. The bank facilities are secured against the Court House Hotel and the Group’s existing assets, the Ashmore Tavern, The Plough Inn and the Aspley Shopping Centre assets, which include the business of the Aspley Central Tavern.

It is anticipated that the acquisition will make a net contribution of approximately \$0.26 million to the pre-tax result of the Eumundi group in the first year of ownership.



The Court House Hotel acquisition meets Eumundi's stated objectives of targeting blue chip assets with substantial capital growth potential, minimal management involvement by Eumundi and solid income backed by tenants of substance and proven capability. This strategic acquisition fits the mould perfectly as an ideal complement to Eumundi's impressive portfolio.

Joe Ganim
Chairman

Authorised by the Board

For further information please contact:

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