



## **ASX Announcement**

22 September 2014

### **Acquisition of Albany Hotel**

Elanor Investors Group ("ENN") is pleased to announce the acquisition of Albany Hotel, a 4-star 50 room hotel located in the port city of Albany on the southern coast of Western Australia.

#### **Transaction Highlights**

- EPS accretive 'on balance sheet' addition to the Hotels, Tourism & Leisure Portfolio
- Strong stable cash flows generated from the operations of the hotel
- High yielding asset, 13.1% p.a. forecast FY2015 hotel yield (annualised)
- Potential to capitalise on development upside via expansion of the hotel
- Opportunistic off-market transaction, asset acquired at below replacement cost
- Adds to Elanor's portfolio of Hotels, Tourism & Leisure assets that could be recycled to seed new managed funds

#### **Acquisition Summary**

The purchase price for Albany Hotel is \$5.0 million, reflecting an initial yield of approximately 13.1%. The total acquisition cost is approximately \$5.4 million inclusive of stamp duty, transaction costs and working capital.

Albany Hotel is strategically located on the entrance to Albany, approximately 3km from the Central Business District. Albany is the 6<sup>th</sup> largest population centre in Western Australia, and is a significant tourist destination servicing the southern region of Western Australia with an estimated 500,000 tourist visitors per annum.

Albany Hotel is operated by Accor under the Ibis Styles brand, with guest demographics being a mix of leisure and corporate guests.

ENN CEO, Glenn Willis, said: "We are very pleased to have secured the Albany Hotel, which provides an earnings accretive acquisition and adds to the portfolio of high yielding hotels on our balance sheet. Consistent with strategy to grow our funds management earnings, Elanor will continue to monitor opportunities to recycle our balance sheet assets to seed new managed funds".

ENN's Head of Hotels, Tourism and Leisure, Marianne Ossovani, added: "The Albany Hotel presents an on-strategy acquisition for Elanor. We are attracted to the high yield and stable cash flow generation of the asset, along with the potential for capital improvement".

Settlement of the acquisition is scheduled for mid-October 2014. The acquisition will be funded through drawing on ENN's debt facilities and working capital.



## **Overview of Albany Hotel**

<b>Location</b>	The hotel is located at the entrance to Albany on the Albany Highway and South Coast Highway, 3kms north of the Central Business District
<b>Rating</b>	4 star
<b>Operator (brand)</b>	Accor (Ibis Styles)
<b>Guest Rooms</b>	50
<b>Site Area</b>	7,917m2 (approx.)
<b>Gross Floor Area</b>	2,267m2 (approx.)
<b>Tenure</b>	Freehold
<b>Purchase Price</b>	\$5,000,000
<b>FY15 Forecast Initial Yield</b>	13.1%
<b>Guest Demographics</b>	Mix of leisure and corporate
<b>Zoning</b>	Zoned Tourist Residential under the City of Albany Town Planning Scheme Number 1A.



ENDS.

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