



**Transmetro Corporation**  
ABN 45 001 809 043

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## ASX Perth hotel expansion

Transmetro to expand Perth hotel by nearly 60%

Transmetro Corporation Limited, owner of the Metro Hospitality Group which operates the Metro Hotels chain, has commenced construction of a new wing which will expand its Perth hotel room inventory by nearly 60%.

The new building to be added to the southern end of the Metro Hotel Perth, on Canning Highway, South Perth will comprise 53 rooms.

The existing hotel presently comprises 94 rooms, which with the added 53 rooms will give Metro Hospitality Group, Transmetro's trading arm, a total inventory of 147 rooms.

The new hotel wing is stage one of a two-part development approved for the site. The Company additionally plans to develop 12 large apartments adjacent to the northern end of the existing hotel, although its preferred option is for this stage to be outsourced to a specialist residential developer.

The Metro Hotel Perth is marking its 25<sup>th</sup> anniversary as a Metro Hotel. The property was acquired by Transmetro Corporation in 1988. The Company says the hotel is operating at 79% and achieving a \$202 average daily rate, reflecting the buoyant demand for hotel accommodation in Perth.

"There is a demand for new hotel rooms in Perth however building costs are a major hurdle," Transmetro Chairman John McEvoy said Tuesday. "The cost of building new hotels, particularly with the buoyant Perth economy pressuring construction costs, makes it largely unviable for new hotel-builds," he said.

"The fact that we already own the land and have in-situ support facilities such as reception, dining and conference facilities, and parking, which will service the new building, has made it possible for us to build the new wing on a basis where it is feasible," McEvoy said.

In a separate development Metro Hotels has entered into a management agreement with interests associated with the 97-unit G60 apartments development in Gladstone to operate apartments in that building. Metro already operates a property in the city known as Metro Hotel & Apartments Gladstone. That property comprises one bedroom apartments, whereas the new complex consists entirely of two and three bedroom apartments.

