



INVESTMENT CONFIDENCE BACKS ADELAIDE'S BUSINESS EVENTS **INDUSTRY**

Three new hotel builds announced in three weeks

The massive investment in infrastructure along the Riverbank precinct in the Adelaide CBD is paying off for the city with news of three new hotel builds announced in as many weeks.

In late April, Accor has announced it will commence construction in 2017 with a late 2018 opening of a \$140m five star Sofitel branded property on Currie Street in the heart of the CBD – just 2 blocks easy walk to the Adelaide Convention Centre.

The 32-storey development will be the state's tallest mixed-use development with the top eight levels to feature 80 apartments, while the remaining floors will contain the hotel's 250 rooms.

Just a week later, IHG announced it will open Adelaide's first Holiday Inn Express – also due for completion in 2018. The mid-priced 245 room property being developed by Dubai-based Pro-invest Group, will be conveniently located a short 1 block walk from the Riverbank precinct and close to the city's major shopping mall.

The Lester Hotel build was announced just a week after the Holiday Inn Express. The \$50m hotel property is part of a \$150 million mixed-use development including two office towers and 5000 square metres of retail space. Due to open in September 2016, it will be operated by hoteliers Jan and Peter Clark's Lancemore Group under a franchise agreement with Choice Hotels top of the range Ascend brand.

In a big boost for Australia's off-site and prefabrication sector, the 240 room hotel over 14 levels will be manufactured in China and shipped over to Adelaide in modules to be assembled in a project taking just one year.

The Lester Hotel site is on Adelaide's north western corner – directly opposite the new \$3bn Health and Bio-Medical precinct housing facilities such as the new Royal Adelaide Hospital (open 2016) and the SA Health and Medical Research Institute (SAHMRI) opened 2014. The precinct will, upon completion, be the largest hub of its type in the Southern Hemisphere.

The number of hotel rooms in Adelaide has grown by more than 25 per cent since 2010 to now top 8000 with four new properties opening in the Adelaide CBD in the past 12 months. The Adelaide Casino has also announced plans to include a luxury hotel as part of its redevelopment linked to the Riverbank precinct.

Hotels opened in 2014 in Adelaide include The Ibis Hotel with 311 rooms, The Mayfair Hotel with 170 rooms and two Quest serviced apartment properties with a combined 217 rooms.

Adelaide Convention Bureau CEO Damien Kitto said "occupancy rates are increasing thanks to a number of elements including more direct flights into Adelaide and the 2014 opening of the \$535m Adelaide Oval stadium upgrade bringing AFL games and major events into the city. For instance, hotel occupancy rates in the traditional quieter winter month of June 2014 increased by 6.6% over the previous year. In saying this, Adelaide still represents great value for the business traveller when compared to other destinations".

"Overall occupancy rates were around 80% last year while revenue per room grew by 5.5%. With the first stage of the \$400m Adelaide Convention Centre redevelopment now open and the final stages to be completed by 2017 plus the \$3bn Bio-medical precinct which will open across the coming years, the time is now for South Australia as is evidenced by this investment and confidence by the hotel sector" he said.

The Adelaide Convention Bureau's success in attracting business events to the state is also evidenced by the investment in city infrastructure and the development of the Riverbank precinct with the end of calendar year 2014 realising a record \$144.2m of business won. This figure put the ROI to the State Government at 180:1 and saw almost 162,000 bed nights secured.

QUOTES

"The new building will further elevate Adelaide's international profile. It is almost 30 years since a hotel of this status and quality has been built in Adelaide's CBD and it will help attract significant increases in tourism, business travel and conferences to the city,"

Accor Pacific chief operating officer Simon McGrath as told to the Adelaide Advertiser

"We have been working on this project for a long time. We see significant upside in Adelaide especially at the higher end of the market, where we don't have anything in that segment.

"We like the calendar of events and activities that Adelaide has and think it's a really good opportunity for growth."

Choice Hotels Australasia CEO Trent Fraser as told to the Australian Financial Review

"We know the domestic market will respond extremely well to this fresh and exciting brand and having a Holiday Inn Express in the CBD will be key as the increase in air connectivity between Adelaide and other key Asian cities continues."

IHG spokeswoman Karin Sheppard as told to the Adelaide Advertiser

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