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Booming domestic tourism behind investors spending up on accommodation opportunities



Elanor Investors Group has bought the Wildes Boutique Hotel in the Kangaroo Valley of NSW.

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A pre-Christmas flurry of hotel purchases across Victoria and NSW is boosting the coffers of hospitality operators as listed groups and smaller operators seek a piece of the booming domestic tourism sector.

As the cost of international airfares shows no sign of declining, there's been an increase in domestic tourism. Sydney CBD hotels, for example, have recorded occupancies of 79.8 per cent in November, which is the highest for any month on record except in September 2000, when Sydney hosted the Olympic Games.

ASX-listed Elanor Investors Group has bought two regional assets, spending just over \$30m on the Chateau Yering in Victoria's Yarra Valley – which has been on the market for several months – and the Wildes Boutique Hotel in NSW's Kangaroo Valley, which was valued at \$12m.

In Melbourne, hotelier Mazen Tabet, owner of the soon-to-open The Royce hotel, spent \$30.5m buying the recently renovated Lyall Hotel in Melbourne's South Yarra from Peter and Rowina Thomas.

The 49-room Lyall Hotel, on Murphy St near the Royal Botanic Gardens, will be reopened next year with an expanded restaurant and cocktail bar.

Meanwhile, Elanor Investors Group has completed a \$25m capital raising to purchase Chateau Yering, and the 25-room Wildes Boutique Hotel south of Sydney which was renovated a year ago.

The sale of the hotel was negotiated by HTL agents Andrew Jolliffe and Nic Simarro, who said the property was the only serviced hotel in the Kangaroo Valley.

The purchase follows Elanor's acquisition of the 180-year-old Chateau Yering, a 32 room hotel on a 101ha site in the Yarra Valley.

The original mansion was built in 1854 and is adjacent to the Yering Station Winery. The property is 53km northeast of Melbourne.

With a 2.7km frontage on the Yarra River, Chateau Yering was listed mid year via architect Max Zhang who bought the country house and hotel in 2018. He had price expectations of about \$20m. The marketing agents were Burgess Rawson and HTL.

Once the Chateau Yering and Wildes Boutique Hotel acquisitions have been settled, Elanor's hotel fund portfolio will grow to 18 luxury and regional accommodation properties valued at \$411.8m.

Elanor has also acquired a conference facility in Victoria's Dandenong Ranges and has plans to convert it into a significant regional accommodation hotel. The CountryPlace complex will go into the Elanor Hotel Accommodation Fund once it has been repositioned.

Elanor head of hotels tourism and leisure Marianne Ossovani flagged further growth, saying "we look forward to growing the EHAF portfolio to over \$500m in the short term".

Elanor CEO Glenn Willis said there had been "significant "investor support for the acquisitions and he looked forward to introducing further capital partners to the fund as it continued to grow.

Occupancy across the fund's portfolio is recovering towards pre-Covid levels and the average room rate remains well above levels ahead of the pandemic.