

# PRESS RELEASE



FOR IMMEDIATE RELEASE: 5 August 2011

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## **CBRE Hotels negotiates largest NZ property transaction for 2011**

**Rotorua, 5 August 2011** - Rotorua's two top hotels have been sold for NZ\$43 million in the largest single New Zealand commercial property transaction year-to-date.

CBRE Hotels negotiated the sale of the Novotel and Ibis Hotels on behalf of Australian owner Tourism Asset Holdings Limited (TAHL).

The transaction follows the NZ\$180 million sale last year of TAHL's other New Zealand hotels to US based Host.

While the purchaser of the Rotorua properties has not been disclosed, CBRE Hotels New Zealand director Warren Hutt said the buyer was a New Zealand based group who already has substantial interests in Auckland.

Novotel Rotorua Lakeside and Hotel Ibis are situated side-by-side on Tutanekai St overlooking Lake Rotorua. They share a number of services and provide a total of 344 rooms under the management of Accor, the world's biggest hotel and tourism group.

Mr Hutt said the sale campaign had generated interest from local investors, including several Maori groups, alongside a number of Asian-based investors.

"We're seeing renewed Asian interest in the New Zealand commercial market given the favourable returns that can now be achieved," Mr Hutt said.

"The weakness of the New Zealand dollar compared to the Australian dollar and other currencies makes substantial New Zealand assets attractive for off-shore buyers as the market moves into a recovery phase."

Rotorua is New Zealand's most culturally significant tourist destination attracting more than three million visitors a year.

The four-star Novotel opened in 1996 and has 199 rooms and suites, restaurant/café, bar and lounge, conference facilities, meeting rooms, a business centre and recreation services such as an indoor thermal heat swimming pool, private spas, massage treatment rooms, beauty salon and fitness centre. There is on-site parking for 100 vehicles.

The adjoining Ibis is a three-star hotel that opened its doors in 2004. The hotel provides 145 rooms, restaurant café with lounge bar and parking for 28 vehicles and three coaches.

Mr Hutt said the hubbing of the hotels provided operating efficiencies through shared plant and savings in back-of-house and staff costs to maximise profit margins.

Along with the two hotels, the purchaser has acquired the stand-alone Matariki Maori Entertainment Centre, which hosts cultural performances and banquets prepared in the centre's own hangi pit. The centre operates year round for in-house guests, tour groups and the public.

The hotels and entertainment centre occupy a 1.4 hectare site in a premier location in Rotorua's CBD

The assets will continue to be operated by Accor, and will form part of Accor's broader New Zealand portfolio which comprises seven Novotel and five Ibis branded hotels.

The sale of the Rotorua hotels was negotiated by Mr Hutt in tandem with CBRE Hotels Regional Director Rob Cross.

Mr Cross said the inclusion of the Matariki Maori Entertainment Centre had set the property apart from its competitors in a market that was moving into a recovery phase.

"The New Zealand and Australian hotel markets have shown strong growth over the past 12 months and this is anticipated to continue given the lack of new hotels coming on to the market," Mr Cross said.

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