

Rosemount Investments Pty Ltd

Presents

Mantra Albury

Hotel

524 SMOLLETT STREET, ALBURY NSW



The Opportunity

The property is offered with a 15-year Management Agreement to Mantra Group, now part of the Accor Hotel Group, whom operate over 5,100 properties over 110 countries, employing over 280,000 team members world-wide.

The Mantra Albury Hotel displays an extremely high standard offering, providing Albury with its highest quality and first true 4.5-star hotel.

Key features of the hotel include:

- A 146-room hotel completed in 2018 and built to a 4.5-star standard

- 7 upper levels of accommodation within a variety of room layouts

- Average room sizes of 27 square metres
- Excellent mix of Studio, Deluxe Studio, Executive Studio, Family Rooms and Suites on offer

- Ground floor reception and hotel lobby with adjoining restaurant and bar
- Gymnasium on Level 4 for hotel guest use
- Executive Lounge on Level 8 for exclusive use of hotel guests
- Back of house areas including excellent staff offices/amenities and generous loading dock area.
- Over 320sqm of function space divisible into three sections with breakout function space
- 45 secure basement car parks
- 500 car parking spaces are available in a four-level public car park situated immediately adjacent the hotel
- Prime location in the heart of Albury's CBD within a new development precinct that includes the largest regional Australian Tax Office in NSW and Volt Lane Markets
- The property is positioned within Albury's core retail precinct, which houses Target, Coles and Kmart.

The Albury Mantra Hotel offers quality, first-choice accommodation in the thriving regional epicentre of Albury, catering to a wide variety of markets including Corporate, Government, Weekend Leisure, Conference and Events and Group business.

The hotel continues to benefit from significant depreciation allowances that will further enhance the financial returns for any incoming purchaser.

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Executive Summary

PROPERTY NAME	Mantra Albury Hotel
PROPERTY ADDRESS	524 Smollett Street Albury
TITLE DETAILS	Lot 10 Deposited Plan 1178339
TENURE	Freehold Title
LOCAL GOVERNMENT AREA	Albury City Council
ZONING	Business 3 — Commercial Core Albury Local Environmental Plan (LEP) 2010
SITE AREA	Approximately 930.2sqm
BUILDING AREA	Approximately 8,684.55sqm
HOTEL OPENED	April 2018
NO OF ROOMS	146
RATING	4.5 Star
FOOD & BEVERAGE	High quality restaurant & bar on the ground floor that services the hotel and the broader Albury region
AMENITIES & FACILITIES	First floor function space and meeting rooms with breakout/pre function space. There is a gymnasium on Level 4 and an executive lounge on Level 8. Basement carparking is available for 45 vehicles
HOTEL MANAGEMENT	The property is offered with the benefit of a 15-year management agreement with the Mantra Group now part of the Accor Hotel Group



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Investment Highlights



ALBURY'S NEWEST AND HIGHEST QUALITY HOTEL

The high-quality nature of the hotel makes Mantra Albury the first-choice accommodation in Albury and the greater region. The Mantra Albury Hotel caters to a wide variety of customer markets including Corporate, Government, Weekend Leisure, Conference & Events and Group business.



CBD LOCATION

Situated within the heart of the Albury CBD, the hotel enjoys frontage to Smollett Street and Amp Lane and is directly adjacent to the Australian Tax Office Building which houses approximately 800 staff.



HMA WITH GLOBAL OPERATOR

15-year management agreement with Mantra Group, owned by Accor Group, a major multinational chain operating over 3,500 hotels globally including well-known brands such as Pullman, Sofitel, Swissotel, Ibis, Grand Mercure and The Sebel.



VERY STRONG ADR GROWTH

Recent data shows significant ADR growth in the hotel and across the Albury market since end of the COVID lockdowns



MAJOR DEPRECIATION BENEFITS

The purchaser will benefit significantly from strong depreciation benefits associated with a near-new building.



RECOGNISABLE HOTEL BRAND

Mantra Group is now the largest accommodation provider in Australia, offering 50,000 rooms across 300 hotels.



DYNAMIC REGIONAL ECONOMY

Albury is the major retail, commercial, administrative, and cultural centre for the region with a diverse and resilient economy dominated by manufacturing, construction, business services, government, retail, education and health services.



FUTURE TOURISM GROWTH

Major redevelopment of convention wing of Albury Entertainment Centre

Hotel Market Commentary

Uncertainty and cautiousness plagued hotel investor interest in 2020 due to the COVID-19 pandemic, however, the global lodging industry is eager to move forward. The industry's resilience has shaped new experiences and demand from consumers. It has also introduced a wave of trends that have been accelerated as hotel leaders quickly shifted operations and strategy to navigate through one of the most transformational and economically challenging times in modern history.

The National Plan then envisages Australian state borders to remain open and the resumption of economic activity and unrestricted domestic travel. The RevPAR growth trajectory stalled after a promising start in H1 2021, however provided reassurance that once the "COVID shackles were removed" pent up domestic demand will immediately translate into increased hotel occupancy which will sustain and drive ADR.

Despite the COVID challenges, transaction activity has remained buoyant with \$1+ billion sales in 2021, characterised by firm yields, unsatisfied capital, and a scarcity of quality purchase opportunities. Domestic leisure will return to key regional as well as city destinations, having been absent for two years and to experience new hotel inventory, which typically drives induced demand from inquisitive guests.

Domestic leisure will continue to support the regional drive markets, that have been the primary beneficiary of COVID. Corporate activity begun to rebound in Q1 2022 and continue as Australia "gets back to business".

International travel will resume and gradually build with IATA expecting that 2019 levels will be reached in 2023/24. We look forward to better times ahead for all industry stakeholders.

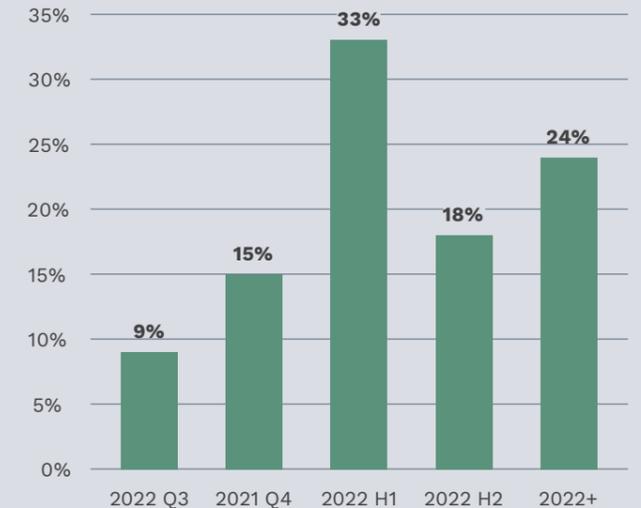
INTERNATIONAL AIR TRAVEL TO RETURN TO 2019 LEVELS IN 2023/24

73% of key stakeholders in the aviation industry expect air passenger movements to achieve 2019 levels in 2023/24

Timing of the Demand Recovery — 2019 Levels (% of respondents)



Timing of the restart in long haul traffic — 2019 Levels (% of respondents)



YIELDS CONTINUE TO FIRM

Price per room approximates pre-COVID levels on firm yields.

Average Value per Room vs. Initial Weighted Yield — Australian CBD Hotels





THE OUTLOOK FOR THE AUSTRALIAN HOTELS INDUSTRY



JobKeeper & Disaster Recovery Payments

- As lockdowns end and Australian economic activity resumes, financial assistance programs will end, requiring businesses to be self-sustaining.



Some Hotels Forced To Hibernate During Lockdowns

- Insufficient business to sustain operations
- Awaiting Border opening to stimulate business
- Significant corporate activity was delayed to Q1 2022



CBD Hotel Markets To Return To 2019 Levels In 3-5 Years



Regional Drive-to Markets Booming

- International travel restrictions have diverted Australian outbound to regional markets subject to lockdown travel restrictions.



Australian International Travel

- Subject to 80% vaccination targets
- Australian international travel recommenced in November 2021



International Travel Bubbles

- At 80% double vaccination travel in 2022
- Keen to open doors
 - New Zealand
 - Pacific Islands
 - Singapore

REGIONAL HOTEL OUTLOOK (NSW)

With lockdown ending in NSW in October 2021, there was a continuous uplift in results since, also impacted by the summer holiday season. However, with Victoria, Queensland and Western Australian state border restrictions remaining and the steep increase in Omicron cases throughout January 2022, domestic travel continued to be impacted. The number of domestic overnight visitors in January 2022 was up 7 per cent on January 2021, but still down 20 per cent compared with January 2019 (pre-COVID). Visitor expenditure in NSW was \$2.8 billion, up 26 per cent on January 2021, and up 5 per cent on January 2019 due to visitors staying longer in

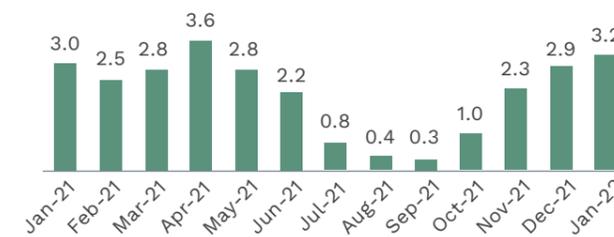
the State (5.0 nights — highest since January 2010). In the year ended (YE) January 2022, NSW received 24.6 million domestic overnight visitors who stayed 88.8 million nights and spent \$16.3 billion.

Throughout January 2022, Greater Sydney received nearly double overnight visitors than in January 2021 while regional NSW had 1 per cent less visitors than in January 2021. Both destinations had higher visitor expenditure than a year before with regional NSW surpassing the pre-COVID visitor expenditure level. Interstate travel to NSW continued to improve but at a slow rate. This month, NSW received 843,000 interstate visitors and 2.3 million intrastate visitors.

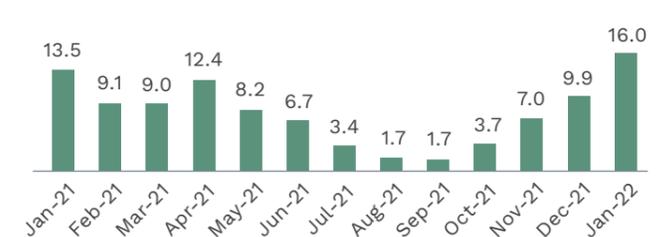
Domestic Overnight Trends in NSW



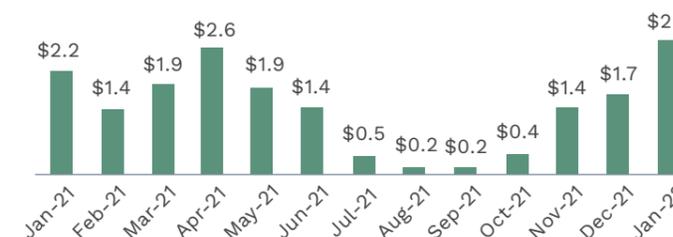
Visitors (Million)



Nights (Million)



Expenditure (Billion)



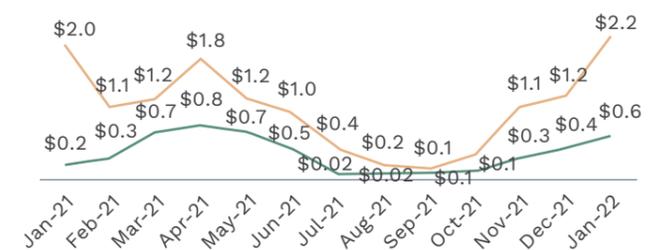
Domestic Overnight Trends in Sydney and Regional NSW



Visitors (Million)



Expenditure (Billion)



— Sydney — Regional NSW

Location



Located on the spine of Australia's largest freight rail infrastructure project, Albury Wodonga is uniquely positioned to take advantage of its potential as a regional logistics hub. The Inland Rail national freight network is scheduled for completion in 2024-2025 and will connect Melbourne and Brisbane via regional Victoria, New South Wales and Queensland

The location of Albury makes it a major stop off point for travelers, whilst also forming a commercial centre for the surrounding border region. Several educational facilities and larger corporate entities utilise Albury as a service base for the surrounding region, providing increased visitation and corporate travel.

With significant federal and state employment (including the

Department of Defence and the Australian Tax Office (ATO), business services, primary production, retail, wholesale and health services — the Albury economy is diverse and resilient.

While Albury offers the social, cultural and economic benefits of a thriving modern city, it is also known for its leisurely lifestyle, rich history and heritage, natural beauty and tranquility, parks and gardens and tree-lined streets. It is the stepping off point for some of Australia's finest inland tourist locations, including the Murray River and Victorian High Country.

ALBURY

Albury is a modern, vibrant regional city on the northern banks of the Murray River, in the Riverina region of south-eastern New South Wales. It forms part of the Albury-Wodonga urban area with a greater regional population of some 200,000 people, and is the major retail, commercial, administrative, tourism and cultural centre for the region.

Albury is separated from its twin city of Wodonga by the Murray River, with Albury to the north and Wodonga to the south of the river. The twin towns are located at the centre of the Melbourne–Sydney–Canberra triangle, forming a major transit point.

Albury is serviced by road via the Hume Highway, in addition to a large regional airport being located within

Albury. Further transport is provided by trains and buses running between Melbourne and Sydney. Albury is 550 kilometres from Sydney, 340 kilometres from Canberra and just 330 kilometres to Melbourne.

With direct access to the Hume Freeway and a seamless network of road and rail links, Albury Wodonga is within 3 hours drive of Melbourne, 6 hours of Sydney, 9 hours of Adelaide and 3.5 hours of Canberra – putting businesses in the area in reach of 75% of Australia's population within just 24 hours.

The recently upgraded and award-winning Albury Airport provides 180 flights a week and direct routes to Sydney and Melbourne via Qantas, Virgin Australia and Rex with pre-COVID 19 modelling indicating the airport could hit 300,000 passenger movements by 2025.





Hotel Overview

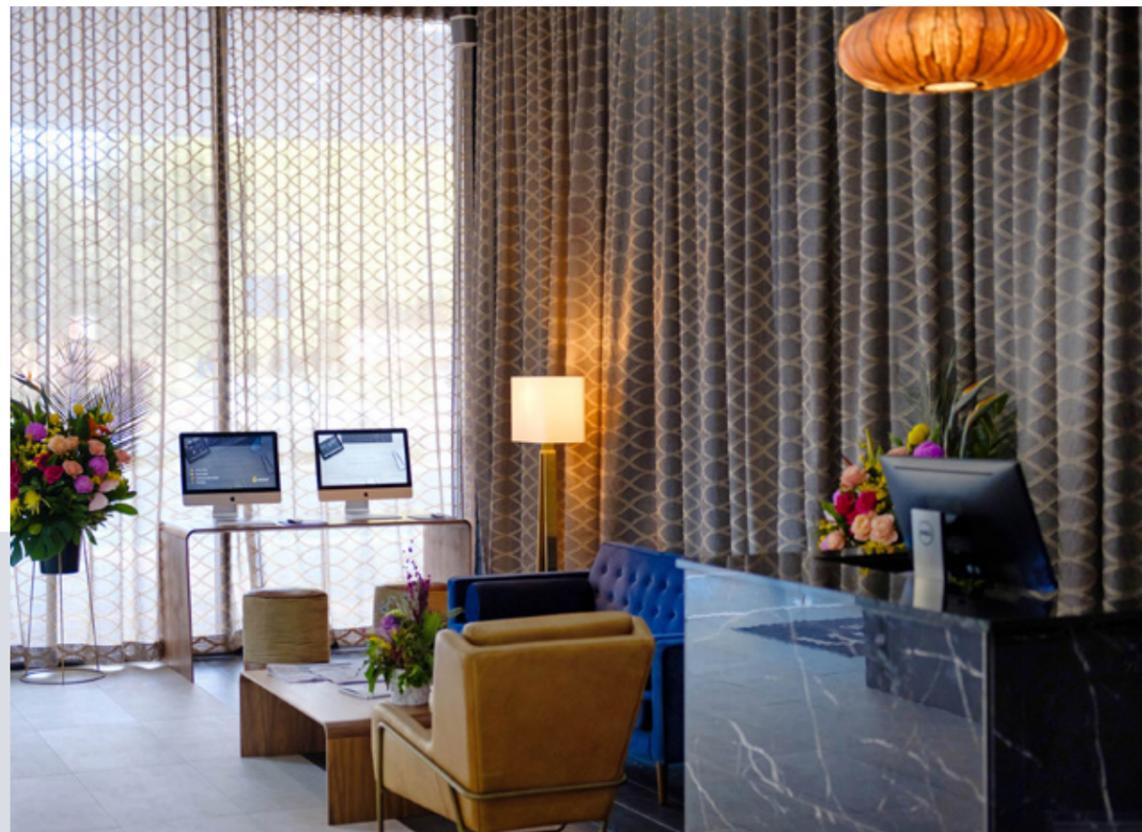
The Mantra Albury Hotel combines a superb central location with all the contemporary design features & cutting-edge features of a newly built hotel. The eight-storey hotel completed in 2018 comprises 146 accommodation rooms providing a 4.5-star standard with associated conferencing and food and beverage components. Conveniently located in the Volt Lane Precinct of the CBD, this full-service Albury hotel offers spacious guest rooms with a selection of studios and suites to choose from. The hotel caters to a broad range of markets drawn by the quality of the product and the range of facilities offered on-site.

Constructed with a secure basement car park and accessible entry areas, the hotel works in unison with the adjoining major office building, retail facilities and 500 space multi storey government owned public car park at the rear of the property. Vehicle and pedestrian access to the property is provided via Smollett Street

The Mantra Albury Hotel features modern accommodation that delivers on style & function. Situated in the bustling Riverina City and offering Mantra's trademark hospitality, the Mantra Albury Hotel has quickly become the region's premier corporate meeting and leisure hotel.



The Mantra Albury Hotel combines a superb central location with all the contemporary design & cutting-edge features of a newly built hotel



GROUND FLOOR

The ground floor offers a hotel lobby and entry foyer with a high-quality adjoining restaurant/bar area. Showcasing the best local produce that this stunning Albury Wodonga region can offer, the District Dining Bar and Grill on the ground floor of the hotel has become one of the most sought-after dining destinations in the Albury. This popular restaurant and bar services both the hotel guests and the broader Albury community. Behind the restaurant are the commercial kitchen, public amenities, large loading area that can be secured via roller shutters and a mezzanine level that house dry and cold store areas. A drop off area for mini-buses and coaches is provided for outside the main hotel entrance.

FIRST FLOOR

The first floor of the hotel comprises six accommodation rooms, function areas and supporting back of house areas. There is 321sqm of function space divisible into three sections

with breakout /pre-function space. There are few direct competitors in the Albury CBD for these type and quality of conference facilities and they have proven very popular since the hotels opening.

ACCOMMODATION FLOORS

The hotel accommodation is provided on Floors 2-8 with a variety of room layouts provided on each floor. The rooms have been constructed around a central passageway serviced by three lifts, two sets of stairs and with one of the lifts being dedicated for staff use/loading. Centrally located within each floor are meeting rooms, administration offices, staff change rooms, a gymnasium on Level 4 and an executive lounge on Level 8.

The following room types are available:

- Studio Room
- Deluxe Studio
- Executive Studio
- Suite
- Family Room
- Two Bedroom Suite





CONFERENCES

The hotels conference facilities include five meeting rooms and a flexible floor plan which allows for up to 140 delegates theatre-style, 120 banquet style, or cocktail events for 200.

Two separate smaller rooms can be used as boardrooms for up to 14 People or as breakout rooms to complement the larger area. The conference rooms have the latest audio visual presentation equipment, premium onsite catering and a dedicated Conference Coordinator who can arrange team building events and tailor to client's conference needs.



WEDDING VENUE

The Hotel can cater for a sit-down banquet of up to 120 guests and has a dedicated Wedding Coordinator to assist with all aspects of the wedding preparation and the events on wedding day.

With 146 modern rooms available the hotel offers a variety of contemporary accommodation styles to suit the needs of the bridal party, family and wedding guests



GUEST ROOMS

The hotel has 146 guestrooms including seven suites, seven disabled rooms with nine other room configurations. We understand the typical guestrooms are approximately 30 sqm and the disabled rooms are approximately 40 sqm.

Guestroom facilities include:

- Individually controlled air conditioning;
- King Zip Bed;
- Wall mounted LCD Television with Foxtel & free to air channels
- En-suite three-point bathroom with shower with two showerheads (suites have separate shower and bath), wash hand basin and dual flush WC;

- Kitchenette (excluding disabled rooms) with microwave, refrigerator and tea & coffee making facilities;
- Wi-Fi;
- Safe;
- Iron and Ironing Board;
- Tea and Coffee making facilities;
- Dark timber laminate furniture with work desk and chair, Ottoman and comfortable chair;
- The larger rooms have a single sofa bed;
- The suites have a larger four-point bathrooms and are furnished with a separate toilet and sink, cloakroom and lounge.



HOTEL SERVICES

Hotel Guest Services include:

- 24 Hour reception
- 24 Hour Room Service
- Express Checkout
- Guest Laundry
- Ground Floor Restaurant & Bar
- Fully-equipped gym
- Executive Lounge
- Internet Lounge
- Wi-Fi
- Conference Facilities
- Photocopying Service
- Complimentary outdoor public parking directly next to the hotel
- Secure undercover parking available

Hotel Management Agreement

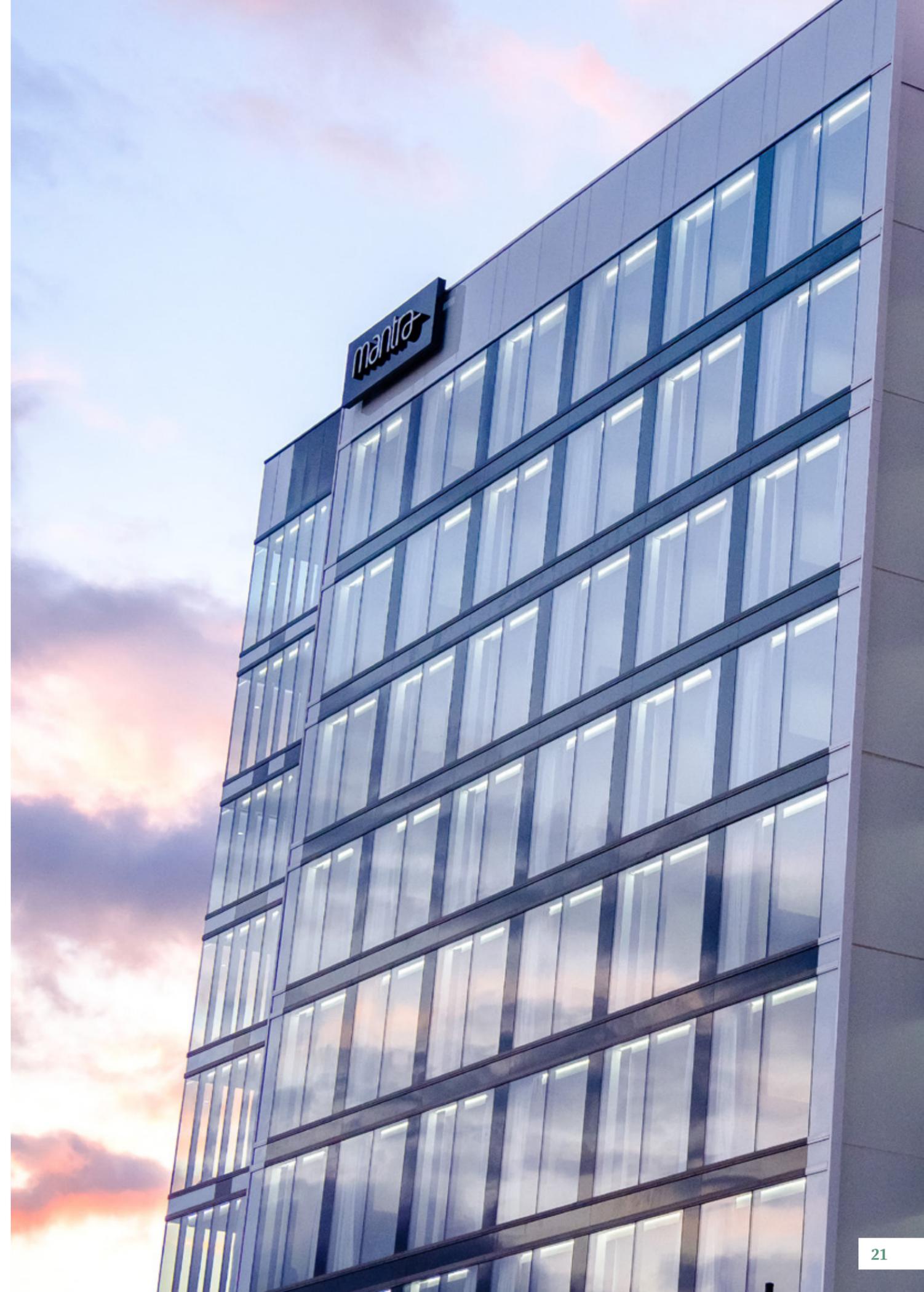
The hotel is operated by the Mantra Group under a Hotel Management Agreement and is branded as Mantra Albury Hotel. The key terms of the

Management Agreement between Albury R Holdings Pty Ltd (the owner) and Mantra Management Pty Ltd (the manager) is outlined below:

Hotel Name	Mantra Albury Hotel
Term of Agreement	15 Years
Base Management Fee	1% of Gross Revenue
Incentive Management Fee	7% of Gross Operating Profit
FF&E Reserve	1% of Total Revenue until end of 2022/23 financial year and 3% thereafter
Termination on Sale	Available after third complete operating year

Please note that 31 car spaces are leased from the owner of the adjoining Lot 9 by way of a long term lease expiring 30 September 2062. This lease will transfer to the purchaser at settlement.

A copy of the lease is available in the data room.



The Operator

The Mantra Albury Hotel is operated by Mantra Group, an ASX 200 listed company and a wholly owned subsidiary of Accor Group. Accor Group is a major multinational chain listed on the French Stock Exchange operating over 3,500 hotels globally including well-known brands such as Pullman, Sofitel, Swissotel, Ibis, Grand Mercure and The Sebel. Mantra Group operates

the Break Free Hotels, Mantra Hotels and Peppers Resorts, offering 18,000 rooms across Asia Pacific.

Originally an Australian based company, Mantra has evolved since being listed on the ASX and continues to grow both domestically and internationally with properties in New Zealand, Bali, Hawaii and properties proposed to open in Malaysia and Thailand.

Key Facts and figures about the Mantra Group include:



#1 Australian based hotel & resort operator



1 in 10 Australians stay with the Mantra Group every year



5,500 team members



\$660+ Million turnover



80+ properties in major leisure destinations



20,000+ rooms under management



45+ properties in CBD locations



Expansion plans for Asia Pacific region



\$8+ Billion assets under management



Market leading sales support



Largest category marketer in Australia



4 high awareness brands including:
 Mantra: 70+ properties
 Peppers: 30+ properties
 Breakfree: 25+ properties
 Art Series: 7+ properties

Mantra Hotels, Resorts and Apartments offers premium 4 to 4.5-star accommodation. Aimed at business or leisure, the collection of hotels, resorts and apartments captures the natural charm and

ambience of their diverse locations, from bustling cities to serene coastal escapes. Today, there are more than 70 properties carrying the Mantra brand through all states of Australia, in New Zealand and now in Bali.



Albury Wodonga Overview

Given its strategic location between Sydney, Melbourne, Adelaide and Canberra, Albury Wodonga is within easy access of domestic and international markets by Road, Rail and Air making the town an epicenter for business and commerce.



Regional population of over 98,940 people



Albury airport 180 + flights per week, over 260,000 passengers annually



Extensive award-winning food and farm experiences nearby



\$12,000,000 Commonwealth Grant for upgrades to current infrastructure



Day trips to the ski fields and mountain country



Albury's Gross Regional Product is estimated at \$8.335 billion (annually)



Murray River and Lake Hume (6 times the water mass of Sydney harbour) utilised for recreational sailing, boating, skiing, swimming and fishing



The overnight visitor length of stay increased from 2.3 to 3.4 nights in 2022



Historical region dating to the early 1800's



Two Universities (La Trobe and Charles Sturt) with over 2,600 students and Two TAFE colleges



In Albury, tourism supports an estimated 1,021 jobs, which is 3.9% of total employment



Over 50 regional wineries



Wide variety of sporting and recreational infrastructure



Over 900 aged care beds across 15 facilities



AWH is a 337 bed health service that treated over 61,000 emergency presentations, more than 40,000 inpatients

