

Hospitality Property Fund to invest R250 million in refurbishment of Rosebank Hotel

R250 million refurbishment for Hospitality Property Fund's Rosebank Hotel

Hospitality Property Fund will invest R250 million in the refurbishment and repositioning of one of its landmark property assets, the Rosebank Hotel, in Gauteng.

The Rosebank Hotel, which was originally built 70 years ago and has since expanded substantially to its current 318 rooms, will undergo a major redevelopment which will establish it as the foremost four-star hotel in South Africa.

"Rosebank has a lot of character and is experiencing an upswing, catalysed in part by public transport projects," says Hospitality CEO Gerald Nelson. "The Rosebank Hotel is well positioned to be a core component of this vibrant node".

Hospitality is South Africa's first specialised listed property fund invested exclusively in hotels and resorts and is managed by Hospitality Property Fund Managers, a joint venture between property fund managers Grapnel Property Group and hotel specialists Hotel Tourism & Leisure Asset Management.

"At the inception of the Fund, we ended up managing the Rosebank more by default rather than by design," says Hospitality's deputy CEO Joseph Aminzadeh. "We set up a hotel management company with the same shareholders as the fund's management company and the effects on hotel performance have been unbelievable.

"Since we took over the management of the Rosebank Hotel some 18 months ago, year-on-year

profits have more than doubled," says Aminzadeh.

"We found that with some of the hotels that are included in the

"The Rosebank will be completely different to any hotel that is currently in the market. The innovative concepts which are being developed for the hotel

engineer; a specialist hotel IT team; sales and marketing professionals; as well as our in-house team of research analysts."

The refurbishment will ensure that the Rosebank Hotel is well positioned to benefit from the high occupancy opportunities during the months surrounding the 2010 World Cup and other upcoming high-profile events.

"Unlocking value in our existing portfolio and achieving the highest possible occupancy levels and best usages is a priority and a number of the properties in the fund have a great degree of untapped potential. Hospitality has assessed its portfolio and is evaluating further upgrade, expansion and refurbishment opportunities," says Nelson.

Hotels being considered as part of an upgrade programme include Mount Grace Country House and Spa in the Magaliesburg, The Winkler in Whiteriver, The Richards Hotel, Bayshore Inn, and Protea Hotel in Richards Bay, the Protea Marine in Port Elizabeth as well as The Imperial Hotel in Pietermaritzburg.

Hospitality Property Fund, which listed only 18 months ago, has since grown its asset base substantially to its current value of around R1,96 billion.

The company is also considering various development and acquisition opportunities that will enhance its portfolio. "Hospitality is actively pursuing a number of prospects and remains committed to growing its portfolio of landmark hotel properties in a controlled manner," notes Nelson. ■



Artist's impression of refurbished Rosebank Hotel

fund, it made sense to bring them into this same management structure in order to optimise returns," says Aminzadeh. Hospitality Hotel Management Company has since taken over the management of Mount Grace Country House and Spa, The Hazyview Hotel, Hluhluwe Hotel and Safaris, the Imperial, the Richards and the Bayshore.

are going to excite and enthrall customers," points out Aminzadeh.

"We have a fantastic team of highly skilled local and international professionals in the Hotel Management Company: Andrew Rogers, our chief operations officer; a top notch financial team; a group executive chef; a group chief

The Hospitality Hotel Management team has been supplemented with an impressive team of consultants and branding strategists to ensure that the Rosebank conveys a slick, cutting-edge corporate and leisure appeal with vibrant social spaces, high-tech gadgetry and quality accommodation and services.