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Jonathan Hallinan sells Melbourne hotel to Indian billionaires for \$91m

By [Larry Schlesinger](#)

15 Aug 2018 — 8:30 PM



Jonathan Hallinan's decisions to put his apartment development business on ice and focus instead on hotels has proved lucrative after the *Financial Review* Rich Lister sold a new Melbourne CBD hotel off the plan to Indian billionaires Kapil and Rahul Bhatia for \$91.3 million.

Mr Hallinan's development outfit BPM quit the high-rise apartment market in January citing the disappearance of foreign buyers as the reason, but said in May he [would return to the apartment market next year](#) via smaller-scale developments.

In the interim he has focused on developing hotels with two of them – both in the Melbourne CBD – being offered for sale off the plan.



Jonathan Hallinan has quit apartment development briefly to focus on hotels. **Arsineh Houspian**

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One of these, at [33 King Street near Southern Cross Station](#), has been snapped up by Indian giant InterGlobe founded and led by the Bhatias.

Under the deal, the 241-room permitted hotel rising 30 levels on the corner of Flinders Lane and King Street will be developed by BPM for InterGlobe, and will be managed by Toga Far East (TFE Hotels) under Far East Hospitality's Quincy brand, which will make its debut in Australia.

InterGlobe was founded by father and son aviation tycoons Kapil and Rahul Bhatia, who are [worth a combined \\$US\\$3.8 billion \(\\$5.2 billion\) according to Forbes](#). The pair co-founded India's biggest airline IndiGo, which is owned by InterGlobe.

Its real estate investments include a portfolio of 16 ibis hotels across India, with another seven in development, as well as investments in commercial real estate, technology and travel commerce.

Given the risks associated with developing in the current lending environment, BPM sought a unique fund-through arrangement to remove any reliance on local financiers," Mr Hallinan said.

InterGlobe will fund the delivery of the hotel in instalments, with construction by Maxcon expected to commence in the third quarter of 2018.

Another 130-room hotel on Exploration Lane, a block from Victoria's State Library, is being offered off the plan by Mr Hallinan and fellow Rich Lister John Knowles with expectations around \$50 million.

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The hotel is the second offered for sale off the plan by Jonathan Hallinan. **Supplied**