



TRANSACTION THU 16 AUG 18

BPM Offloads King Street Hotel to Indian Billionaires in \$91.3m Pre-Sale



Developer BPM has sold its proposed King Street hotel development to global investment fund InterGlobe for \$91.3 million.

The 350sq m site, located on the corner of Flinders Lane and King Street, will be developed by BPM for InterGlobe and managed by Toga Far East (TFE) under the Quincy hotel brand.

BPM listed the permit-approved off-the-plan hotel development in June for an initial [asking price of \\$80 million](#).

“The ability to partner with an experienced local developer like BPM was certainly seen to de-risk the project’s delivery, however, it was the composition of the deal and its unique terms that made the opportunity so sought-after,” BPM’s development director Tom Howgate said.

BPM purchased the central Melbourne site for \$12.35 million from Malaysian developer Asia One in 2016.

The tower will comprise 241 guest rooms over 30 levels and will include a cafe and rooftop bar.

“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,” BPM managing director Jonathan Hallinan said.

“Our extensive global relationships, and our ability to innovate the development sector and its existing finance structures, allows the BPM business to see continued growth when many local developers become victims to the property cycle.”

InterGlobe Enterprises is an Indian conglomerate with interests in aviation, hospitality and travel. It was established in Gurugram in 1989 by brothers Kapil and Rahul Bhatia.

Builder Maxcon is expected to commence construction on the Elenberg Fraser-designed tower in the third quarter of 2018.

BPM is also selling another 130-room, four-star hotel on a small 168sq m site at 9-11 Exploration Lane in Melbourne's CBD.

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