

Holiday Inn Express Sydney Macquarie Park Case Study

Representative of PAM's track record is Holiday Inn Express Sydney Macquarie Park. Located in the heart of the major commercial precinct of North Ryde Sydney, the 192-room Sydney-based hotel marks Australia's first Holiday Inn Express hotel and Pro-invest Group's first operational asset, with a targeted Gross IRR of 30%.

The hotel offers a smart choice for value conscious business and leisure travellers, with the hotel's business model strongly ingrained in operating 'smart' – offering guests everything they need and nothing they don't. This philosophy extends into the hotel's sustainability design, considerations for FF&E and operation. Within its third year of operation, presented by the HM Hotel Awards, the asset was awarded the Best Midscale Hotel award for the second year running. Prior to this, Holiday Inn Express Sydney Macquarie Park was awarded the AHA National Award for Excellence and TAA NSW Award for Excellence.

Further, with the specialised skill set of the PAM team in collaboration with Pro-invest Developments and Pro-invest Hotels Group, the Sydney Macquarie Park asset achieved a 4.5-star Energy and 4.5-Star Water NABERS rating during its first year of assessment in 2017. By 2018, the asset uplifted its NABERS Energy and Water rating to 4.8-Stars – one of the highest NABERS ratings recorded in Australia for the hotel asset class. As part of this uplift, Holiday Inn Express Sydney Macquarie Park reduced its overall carbon footprint by approximately 64 tonnes of CO₂-e, translating to a c. 6% reduction in 12 months.

The progressive uplift in the NABERS rating is part of PAM's long-term strategy to have the asset receive Clean Building Managed Investment Trust (MIT) status by the Australian Government, allowing for the MIT final withholding tax rate to be reduced to 10% upon exit. Further, the team drives the asset towards achieving a carbon neutral status via third-party relations to offset the asset's carbon footprint via devising a carbon offset program.

Additionally, the Sydney-based asset complies with InterContinental Hotels Group's brand standards and has achieved Level 1 Green Engage Certification, with PAM actively monitoring the asset's consumption across energy, water, gas and waste in the Green Engage portal and Measurabl – a sustainability software provider allowing for investor-grade data. The asset additionally partakes in the A Greener Stay program, which effectively allows for guests to forgo housekeeping services, saving on operational and linen laundering expenses while reducing guests' and the asset's environmental footprint. Supplementary initiatives include but are not limited to partaking in Soap Aid's Hotel to Hands program to divert partially used soaps from landfill whilst assisting disadvantaged communities to have access to clean soap, the phaseout of one-time-use plastics and the Planet Ark initiative for the recycling of ink cartridges.

