

The Pro-active investors

SYDNEY-BASED PRO-INVEST GROUP IS ONE OF ASIA-PACIFIC'S MOST TALKED ABOUT BOUTIQUE INVESTMENT FIRMS, WHICH SPECIALISES IN PRIVATE EQUITY REAL ESTATE AND REAL ESTATE ASSET MANAGEMENT. LEADING THE BUSINESS IS INDUSTRY LEGEND AND CEO, RONALD BARROTT, WHO SAT DOWN WITH JAMES WILKINSON TO TALK GROWTH, STRATEGY AND MUCH MORE.

Ron, tell us about Pro-invest and the journey for the company to date.

It was been quite a journey for Pro-invest and we are proud to have evolved into one of the biggest Hospitality Investment platforms in Australasia: With a 40 people-strong team in our Sydney office we are able to create tangible value-adds to our investors as we are covering asset management, developments and day-to-day hotel operations in house.

Although we only entered the Australian and New Zealand market in 2014, the majority of our team members hold decades of experience in the industry which provides us not only with a great network but also a reputation in the market of being a reliable business partner who, when interested in an opportunity, executes straight forward and in a timely manner.

This allowed us to build up a portfolio of hotels touching close to 2000 rooms of Holiday Inn Express (HIE) assets throughout the main cities in Australia and New Zealand with our Fund I, in addition to another 3000 rooms which we will developing in Fund II, making us arguably the largest Quality Select Service providers in Australasia.

In addition to very attractive risk-adjusted returns of our hotel portfolios, our investor base – mostly institutional investors such as international banks, pension funds as well as sovereign wealth funds – find comfort in our stringent corporate governance as well as reporting standards. This, combined with the fact that we take pride in the high level of quality standards our hotels are fulfilling, allows us to look after the interest of all of our stakeholders – from the guests in our hotels, to our employees to our investors. This is probably why

we also see a lot of repeating customers and investors looking to recoup their commitments.

Why have you gone with the Holiday Inn Express and Even brands?

The Quality Select Service sector represents the fastest growing hotel segments on which we have been focusing on successfully for more than 25 years. First, thanks to my long standing relationship with Intercontinental Hotels Group, I introduced the brand into Europe by rolling out the first 15 HIE projects throughout the UK in the late 90s. Thereafter, I worked with several hotel brands to establish a number of select service hotel concepts throughout the Middle East before looking to Asia and identifying Australasia as one of the last developed markets where the Select Service Hotel Segment was still strongly underrepresented. That's when, in 2013, we joined forces again with IHG and entered a Master Development and Franchise Agreement for their Holiday Inn Express Brand which we are now rolling out very successfully throughout Australasia.

In addition to HIE, we decided to leverage on the fast growing segment of lifestyle hotels and this is why we added Even Hotels as part of our offering in Fund II.

MEET THE TEAM

The Pro-invest Group executives that are at the forefront of the business



RONALD BARROTT Chief Executive Officer - Pro-invest Group

Ronald is a Founding Partner of Pro-invest and has been the Group's Chief Executive Officer since its inception. He has over 40 years of real estate investment, development and project management experience working on a variety of transactional projects in Europe, GCC and Asia.



DR. SABINE SCHAFFER Managing Director - Pro-invest International Asset Management

Sabine is a Founding Partner and the Managing Director, Pro-invest International Asset Management. She started her career 20 years ago at 3i where she focused on investments in FMCG and retail.



TIM SHERLOCK Managing Director - Pro-invest Developments

Tim is the Managing Director of Pro-invest Developments. He has been working on projects with the team since 2010. He has 21 years of experience in the Australian property market having worked for a number of well-known property organisations.



PHIL KASSELIS Managing Director - Pro-invest Hotels Group

Phil is Managing Director of Pro-invest Hotels Group. A fourth generation hotelier, he has spent more than 30 years in the hotel sector with diversified experience in hotel operations, hospitality consulting, hotel development and acquisitions and hotel brokerage.



Key Pro-invest Projects

01 Holiday Inn Express Sydney Macquarie Park, New South Wales

Australia's first Holiday Inn Express hotel. The 192-room property was officially opened on March 30, 2016.

02 Holiday Inn Express Brisbane Central, Queensland

The 226-room hotel is located in the Brisbane suburb of Spring Hill. Officially opened April 3, 2017.

03 Holiday Inn Express Adelaide City Centre, South Australia

The 245-room hotel is located in the heart of Adelaide's CBD. Officially opened August 28, 2017.

04 Holiday Inn Express Newcastle, New South Wales

The 170-room hotel is located in Newcastle's upcoming commercial and transport hub. Officially opened on March 28, 2019.

05 Holiday Inn Express & Suites Queenstown, New Zealand

An innovative 227-room hotel centrally located in the heart of Queenstown. Opening mid-2020.

06 Even & Holiday Inn Express Auckland, New Zealand

The 200-room Even hotel and 294-room Holiday Inn Express is located in the heart of Auckland's centre. Opening Q3, 2021.

07 Holiday Inn Express Sydney Airport, New South Wales

The 247-room hotel is located at Sydney Airport. Opening Q1, 2020.

Pro-invest Group's Holiday Inn projects feature a high-spec of interior design

Which areas are in demand in Australia and New Zealand and where else would you like to be?

Keeping in mind that Australia and New Zealand represent one of the stronger hotel markets globally, we see a lot of growth potential for our hotels across the country in primary cities, now that travelers start to become familiar with our value proposition of our 'stay smart' assets (aka 'everything you need but nothing you don't') – we are also looking to unlock potential sites in second tier cities as well.

Although it is true that the market is fairly fragmented when it comes to hotel performance as every market is in its own hotel cycle, overall the outlook for hotels remain very positive on the back of Australia's strong population growth as well as its attractiveness to an ever more mobile Asian middle class who are eager to visit this continent.

Will Pro-invest remain as an Australian business or can you see the company growing internationally?

As I touched on before, most of our team members hold decades of experience in the industry in Australia as well as abroad and personally, I successfully set up business in Europe as well as the Middle East before coming to the Australian shores. As a result, 'growing internationally' to me is just a continuation of what I have been doing all the way along.

When it comes to attractiveness of markets, I see a lot of growth potential in other Asian regions while our integrated business model and 'hands-on' management approach allows us to create value in even more competitive markets back in Europe.

You also have a huge focus on being sustainable, don't you?

We do. By focusing on new-built, purpose built hotels, we believe to have a significant advantage of being able to 'future proof' our hotels not just from a technical perspective but also when it comes to introducing environment standards- and initiatives into our hotels. The result is a portfolio of assets which are all min 4.5 star NABERS rated and through the introduction of targeted ESG initiatives, we are able to derive tangible advantages for our P&L in the form of lower energy bills or water usage.

The Australian Government is putting policies in place to promote businesses following a higher NABERS rating which was only just recently affirmed by the NSW Government announcing that they would only be able to rent office space or use data centres if the assets in question are achieving a 5 star NABERS rating. We believe that 'walking the extra mile today' with regards to designing and developing our assets in the most environmental friendly manner will certainly allow us to obtain additional rewards down the line, including reducing costs, standing out in RFPs and achieving higher guest satisfaction scores. ■

"Growing internationally to me is just a continuation of what I have been doing all the way along."

Ronald Barrott