



# SUCCESS STORY

INTERCONTINENTAL HOTEL, MELBOURNE



Eureka Funds Management  
Level 9, NAB House  
255 George Street  
Sydney NSW 2000  
Australia

## TEAM

Colliers Hotel & Leisure  
Australia

## STATISTICS

5 Star  
253 rooms  
Ballroom  
3 Food & Beverage Outlets  
Pool & Gymnasium  
Retail

[www.colliers.com](http://www.colliers.com)

## CHALLENGE

We were commissioned to undertake a valuation of this landmark Melbourne CBD hotel following a \$60 million refurbishment by our client Eureka. The challenge was to value the hotel in a market that was still concerned with the Global Financial Crisis and the impact of approximately 3000 additional rooms about to come on or recently opened in the market.

## STRATEGY

Our in house valuation model is able to take into account long term demand and supply trends to first project the overall performance of the market. Having achieved this we then forecast the performance of the Intercontinental by taking into account its performance in relation to its competitor set and using our in house benchmarking model. Finally having projected a cash flow, we were able to arrive at a valuation conclusion from applying an internal rate of return and capitalization rate derived from our comprehensive sales database.

## SERVICES

Valuation

## RESULTS

The valuation of this Victorian Heritage property represents one of the most significant hotel assets for this Real Estate Investment Trust and was on the back of previous hotel valuations undertaken for the client in both Australia and New Zealand.

The valuation was completed in June 2010