



## ASX Announcement

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18 December 2017

### Chadstone hotel to commence construction in early 2018

Vicinity Centres (Vicinity, ASX:VCX) announces that AccorHotels Group has been appointed operator of the 13-storey hotel to be built adjacent to Chadstone Shopping Centre, under the premium MGallery by Sofitel brand. AccorHotels Group, Australia's largest hotel operator, was appointed following an international search for a leading tourism operator. MGallery by Sofitel has 88 hotels globally, with 10 across Australia.

The hotel at Chadstone will have 250 rooms, conferencing and meeting room facilities, a ballroom capable of hosting functions for up to 400 people, two restaurants, a lounge bar and health and wellness facilities including a pool, day spa and gym.

To be located between the main shopping centre and the recently built commercial office tower, the hotel will be designed by leading Melbourne based architects Bates Smart and will be built to a 5-Star Green Star As Built rating, making it the first hotel in Australia to target a 5-Star Green Star rating using the new generation Green Star - Design/As Built v1.1 rating tool.

Expected to open in late 2019, the hotel will be a key element in the evolution of Chadstone.

Strong demand for a premium hotel offer at Chadstone exists from business travellers to the Monash region, tourists to Melbourne and visitors to Chadstone Shopping Centre.

Mr Angus McNaughton, CEO and Managing Director, said: "This is an exciting development for Chadstone as it continues its evolution to a mixed-use, lifestyle and entertainment destination. The commercial office building is fully leased, which has further validated Chadstone as a location beyond retail. The new hotel will increase the number of users and potential shoppers to the site, as well as providing premium accommodation for travellers to Chadstone and the wider Monash region.

"By partnering with AccorHotels Group through its bespoke MGallery by Sofitel offer, we look forward to delivering superior boutique accommodation, dining, wellbeing, lifestyle and conference amenities, which are aligned to Chadstone's existing premium customer experience across shopping, dining and entertainment."

The \$130 million (Vicinity's share: \$65 million) project is expected to commence in early 2018, with completion in 18 months. The hotel infrastructure, car park and podium were completed as part of the office tower construction in 2016. The forecast initial yield of the project is greater than 6%, with a stabilised (year three) yield of greater than 8%.

**ENDS**

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**About Vicinity Centres**

Vicinity Centres (Vicinity or the Group) is one of Australia's leading retail property groups with a fully integrated asset management platform, and over \$25 billion in retail assets under management across 81 shopping centres, making it the second largest listed manager of Australian retail property. The Group has a Direct Portfolio with interests in 73 shopping centres (including the DFO Brisbane business) and manages 34 assets on behalf of Strategic Partners, 26 of which are co-owned by the Group. Vicinity is listed on the Australian Securities Exchange (ASX) under the code 'VCX' and has over 24,000 securityholders. Vicinity also has European medium term notes listed on the ASX under the code 'VCD'. For more information visit the Group's website [vicinity.com.au](http://vicinity.com.au), or use your smartphone to scan this QR code.