Our core offering is the ability to integrate the various service skill sets into a cohesive solution for development, operations and overarching advice. Service streams include:

**TRANSACTIONS BUY + SELL**
- Agency/Brokerage
- Operator Selection
- Due Diligence
- Vendor Representation
- Interested Party Assessments
- Bid Advisory
- Transaction Management
- Leasing

**DEVELOPMENT**
- Project Concept & Design
- Development Management
- Commercialisation of Design
- Integration of Development & Operations
- Feasibility Assessment
- Planning
- Alternate Use Analysis
- Finance Arrangements & Co-ordination

**ADVISORY AND FINANCE**
- Operations
- Feasibility & Best Use Studies
- Strategic Consulting
- Restructuring Services
- Investment Risk Analysis
- Portfolio Assessment
- Debt & Equity Sourcing
- Refinancing
- Valuation Management
- Joint Venture/Equity Participation
- Independent Advisory
- Debt Restructuring

**STRATA/COMMUNITY TITLE**
- Scheme Concepts
- PDS & Prospectus (AFS Licensed)
- Offer Structure
- Project Design and Commercialisation
- Operator Selection
- Project Marketing

**EXPERT’S REPORTS**
- Independent Expert Reports
  - Prospectus
  - PDS
- Expert Witness
  - Independent Court Reports
  - Litigation Support & Management
- Stakeholder Management
- Refurbishment

**ASSET MANAGEMENT**
- Asset Management
- Strategy Development & Implementation
- Operations Implementation
- Financial & Operational Reporting

For more information, visit our website:
www.dransfield.com.au
or call us:
Ph: +61 2 82346600
Dransfield’s complete suite of transaction related services are designed to maximise value and reduce transaction risk.

Experience gained from over $2 billion in transactions including selling, buying and preparing assets and portfolios for exit. Dransfield offers a unique and diverse skill set that achieves transaction outcomes above expectations.

Dransfield identify credible best uses and create structured transactions to unlock special value. By creating value we close price gaps and resolve objections using our specialist knowledge and resources. We also develop ways to mitigate perceived buyer risk reducing transaction time and risk of transaction failure.

**Sell Side Transactions**

**Pre Sale Advice**
Dransfield pre sale review answers the key value unlocking questions, prior to engaging with prospective purchasers.

**Brokerage & Vendor Representation**
Dransfield are licensed estate agents and we bring discipline to the full three stage process to present assets, unlock value and reduce transaction risk:

- Stage 1 – Getting ready for market
- Stage 2 – In the market
- Stage 3 – Closing

**Buy Side Transactions & Purchaser Due Diligence**
Dransfield offers a unique and diverse skill set that provides flexibility in problem solving and creates structured transactions to overcome execution impediments. We can create value for all stakeholders to close price gaps and resolve terms.

Dransfield have undertaken acquisition and pre-investment due diligence on numerous occasions for clients and also as principals.

We have considerable experience in leading and working with bid teams. We know what to ask and what the answer means. We can provide a complete Transaction Management service.

**Leasing**
Dransfield have been involved in many of Australia’s major hotel leasehold transactions over the last 20 years. We understand the real commercial impact of lease terms and help create leasehold structures that work and add value for both the lessor and lessee.
Dransfield recognise the unique and challenging development circumstances for hotels & resorts in Australia. We take a “whole of development” approach to reduce project risk and cost.

Dransfield have acted as advisers and principals in many hotel and resort development projects.

There is a limited pool of experienced hotel and resort developers in Australia and there has been consistent project failure at the capital level. This is usually caused through poor project concepts and related overcapitalisation.

New projects must compete with established assets and operations that have often been acquired at a discount to original cost. These have a lower average cost per room and room rate to provide an acceptable return and can undercut new hotels. This creates an unusually complex situation which requires expert participation in design and capital discipline.

Feasible development relies on a relatively small overlap between stakeholders - developer, owner, financier and operator - that needs to be skillfully managed.

We have developed a proven structured methodology to assess risk and feasibility for hotel development

1. Site Assessment
2. Preliminary Feasibility
3. Structure & Assessment
4. Execution

Dransfield have experience in each stage of the development lifecycle from concept to conclusion, including project sales. Our projects have ranged from large upscale city hotels to regional resorts throughout Australia.

Dransfield recognises and manages the potential conflict between operators and developers and return on capital requirements. A successful development is not just the sum of the parts, but how they are integrated.

Dransfield provides a full suite of development services supported by specialist project tools tailored for hotel development.

Project Experience
- Australia 108 - 300 Room, 5 Star
- Taronga Zoo Eco Retreat
- Sydney Harbour Foreshore Authority - 350 room
- Eco Point - 5 Retreat Resorts + Pipeline
- Oxford Koala Re-development

www.dransfield.com.au
**DEVELOPMENT SERVICES**

Dransfield provides a full suite of development related services. We can undertake some or all depending on project needs & client’s skill sets & resources.

**Pre Sale Advice**
- Site Selection & Assessment – access, infrastructure, location, zoning & approvals
- Initial Buildability
- Project Concept & Design
- Market Analysis & Outlook
- Competitor Analysis
- Product Positioning
- Supply & Demand Analysis
- Initial Total Project Feasibility Assessment (Development & Operations)
- Land Value
- Alternate scheme structures including Strata Title
- Alternate Use Analysis
- Risks & Mitigants

**Structure & Detailed Design**
- Development Management
- Design Brief
- Detailed Design Management
- Interior Design
- Work-up Alternative Schemes & Delivery Methods
- Planning Review & Development Approval
- Builder Selection & Appointment
- D&C Consultant Selection & Appointment
- Project Planning & Scheduling
- Project Control Group Management
- Concept Review & Modification
- Value Management
- Detailed Feasibility Analysis, including Operations Forecasts
- Integration of Development & Operations

**Ownership, Operation & Funding**
- Alternative Ownership & Operating Structures
- Joint Venture Assembly
- Operator Selection & Appointment
- Investment Analysis
- Financing Plan
- Finance Arrangement & Coordination (Debt & Equity)
- Sell Down/Exit Strategy
- Market Testing
- Stakeholder Reporting & Management

**Execution**
- Development Management
- Project Control Group Management
- Project Marketing
- Pre-sales
- Operator Agreement
- Business Plan
- Pre-opening and Opening
- Manage Legal Advisers, Documentation & Compliance
INVESTMENT SERVICES

Dransfield is a leading multi-skilled independent hotel investment adviser. Established in 1993 with 20 years experience in over 500 Hotels & Resorts

Why Dransfield

- Dransfield have been advising investors for over 20 years, through several market cycles, and at various stages of a hotel asset’s lifecycle
- Dransfield understand different investor and lender risk profiles and their return requirements
- Dransfield have relationships with all of the major hotel stakeholders - developers, operators, owners, financiers
- With multiple specialist skills, Dransfield can integrate development, operations and finance to maximise asset value
- Dransfield are well placed to advise new entrants on all aspects of hotel investment.

Our Hotel Investment Services

Dransfield have the skills and experience to assist with:

- Funding Advice
- Buying new and existing hotels
- Selling - pre-sales and existing
- Asset Management
- Market Research and Analysis
- All Investment Structuring

Dransfield are at the forefront of market knowledge and our clients have access to our extensive databases of sales, operational KPIs, owners and new projects.

Core Investment Services:

**Acquisition – Buy Side Transactions**
Due diligence, valuation, bid advisory, transaction management

**Sale**
Asset presentation and agency, value enhancement, IMs, dataroom, bid evaluation

**Investment Strategy**
Hold, sell, exit strategy and timing

**Feasibility Assessment**
Full project feasibility considering development, operations, financing and best use

**Valuation**
Business valuation and risk assessment

**Development Management**
From concept to completion, detailed design, financing, operations, exit

**Asset Management**
Strategic and performance review, operator selection, capex and redevelopment strategy

Project Experience

- Accor’s Mirvac Hotel Acquisition >$250M
- Private Equity Due Diligence $350M
- Superannuation Fund Strategy >$200M
- Intercontinental Hotel Group EV $400M
- Tourism Asset Holdings Ltd – Acquire 30 assets

www.dransfield.com.au
ASSET MANAGEMENT

Dransfield's asset management services range from owner representation and key stakeholder management to independent strategic advice and contract negotiation.

The Operator’s focus is on day to day operations and brand maintenance, rather than asset value.

Hotel and resort investment has historically had higher risk than other forms of real estate, with key industry knowledge not freely available and ownership and management often separated by conflicting goals.

Operating business needs often take precedence over asset needs. Owners feel disadvantaged by the Operator's greater operational knowledge and control of day to day operations.

Dransfield have operated & managed numerous hotels & resorts.

Dransfield provides a range of skills and experience to close the business knowledge gap. This can bring the Owner and Operator closer together, or, when appropriate, help them separate.

Our experience in acting for a diverse range of clients and our disciplined approach to asset management can assist in changing operating practices and achieving desired returns.

Dransfield provides a wide range of asset management services to clients at varying stages of asset life cycles. By applying a set of disciplines, specialised procedures and tools, we offer a structured yet flexible approach to decision making and problem solving, from a whole of investment perspective.

Asset Management Services

- Owner Representation
- Key Stakeholder Management
- Financial and Operating Reporting and Monitoring
- Independent Strategic Review – opportunities, threats, risk management, value added solutions
- Assessment of Development/Refurbishment
- Assessing Restructuring Options
- Feasibility and Investment Analysis
- Operation and Development Integration Strategy
- Operator Selection and Management Agreement Negotiation
- Interim Management

Project Experience

- Art Series Hotels – MA Re-negotiation
- Holiday Inn Surfers Paradise
- Mantra Group – Growth Strategy
- Indigenous Business Australia - $70M Portfolio
- Sebel Harbourside Kiama
**OPERATIONS & OPERATOR SELECTION**

*Dransfield have operated and managed numerous hotels & resorts. Services range from operator selection to a strategic review of operational performance or day to day management if needed*

**Operational Reviews**

Dransfield have undertaken a wide range of operational reviews on behalf of owners, investors, financiers and operators. This includes large 5 star hotels and small regional resorts.

An operational review provides a specialist, independent means of assessing past and present performance, opportunities for improvement and reconstruction solutions.

Our independent operating expertise has been recognised by major operators who have periodically retained us to review underperforming hotels.

**Operator Selection**

Dransfield has extensive experience in the selection and supervision of hotel and resort operators, ranging from luxury CBD hotels to regional resort appointments.

We are able to assess the commercial impact of contractual terms to achieve a balanced management/owner relationship.

Dransfield have particular expertise in operator selection for strata title hotels, with the additional issues created by a Management Rights structure.

**Integration of Operations & Development Schemes**

Often the most difficult part of any tourism development is identification of the key operating elements of the project and integrating these with the development objectives.

Operations and Development have limited common understanding of each others’ needs. Dransfield offers a communication and strategic link between these aspects to ensure a functional built product and operating environment.

**Operational Management**

Dransfield has managed a variety of assets, from reconstruction and insolvency engagements, to origination of a multi-site management company that also developed a large tourism and strata title asset portfolio.

We offer a flexible solution to management, which is particularly useful during a transition phase, when changing operators, or when there is a need for the integration of operations with development activity during a sell down period.

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**Project Experience**

- Soul, Gold Coast
- Eco Point
- Sebel Harbourside Kiama
- Management Agreement Renegotiation 1,300 keys
- Woolstore Apartment Hotel, Hobart
ADVISORY & FINANCIAL SERVICES

Dransfield provides independent advisory services to assess clients’ opportunities and threats, manage risks and devise value added solutions

Services Overview

- General advisory
- Feasibility and best use assessments
- Lender advisory
- Debt & Equity financing
- Valuation reviews
- Workouts and reconstruction
- Market research

Our team has a unique range of practical skills and principal experience, having acted for all key stakeholders during each stage of a hotel and resort’s lifecycle. Key stakeholders represented include asset owners, financiers, developers, operators and government.

Advisory

Dransfield have a range of real world experiences as well as extensive advisory experience across a significant number and spectrum of projects.

Our combination of financial and industry expertise enables us to answer the critical questions that often face stakeholders.

Feasibility and Best Use Assessments

Dransfield undertakes feasibility and demand assessments for developers, land owners and financiers.

Dransfield then adds value and reduces risk by conducting a full development review and best use analysis, including alternative development approaches and sensitivity analysis for different development and operating assumptions.

Dransfield mitigates development risk by considering the total investment and development feasibility, in addition to expected operating performance.

Our combined development and operational experience enables us to commercialise a hotel project’s design in the pre-development phase. This involves improving master plans and undertaking detailed design before committing significant capital.

Project Experience

- Intercontinental Hotels Portfolio $400M
- TAHL - IPO for 30 Hotel Assets
- Mantra Group Board Advisory
- Medi-Hotel Joint Venture
- Colonial First State - Prospectus


**ADVISORY & FINANCIAL SERVICES**

*Dransfield provides independent advisory services to assess clients’ opportunities and threats, manage risks and devise value added solutions*

**Financial Services**

Dransfield provides a complete range of financial services to hotel and resort investors, developers, financiers and operators.

**Lender Advisory**

Our advisory services are designed to assist financial institutions in determining whether to make an initial loan, loan extension or to secure appropriate loan protection.

**Project Finance**

Dransfield can assist in securing finance for new developments and operating assets. Our experience in acting for both debt and equity enables us to address their key questions, and structure an appropriate risk/return offering.

**Valuation Reviews**

Dransfield have a detailed understanding of the valuation process. We bring a commercial approach and transactional experience, which looks forward, as well as considering historical sales evidence.

**Workouts & Reconstruction**

Dransfield has the experience to assess the financial position of an entity in times of financial stress.

Our combined industry and insolvency expertise enables the design of a workable restructuring plan which takes into account the varying needs of interested parties.

A workout or reconstruction is not necessarily public and does not involve the formal appointment of an insolvency practitioner.

Dransfield’s relationships with industry participants enables us to introduce new parties that can help solve financial distress.

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**Project Experience**

- Indigenous Business Australia Portfolio
- Crowne Plaza Newcastle
- Holiday Inn - Melbourne Airport
- Peppers Hotels and Resorts
- Twin Creeks - Luddenham
INDEPENDENT EXPERTS

Dransfield provides independent analysis that can assist market offerings and formal or informal dispute determination

Our Services

Dransfield offers a range of independent expert services including:
• Independent expert reports for product disclosure statements and prospectuses, including assessment of forecasts. Dransfield is the holder of an Australian Financial Services Licence
• Independent analysis and expert reports for disputes, litigation and board advisory

Litigation Experience

Dransfield have provided expert testimony on numerous occasions on a wide range of hospitality related matters, in Supreme Courts throughout Australia, Land & Environment Courts and the Federal Court.
• Acted for the major shareholder in a shareholders’ dispute on the effect of building an additional golf course and hotel at a regional destination
• Acted for a purchaser to ascertain the effect on hotel value, of non completion of a masterplan for a remotely located precinct
• Acted for shareholders to assess the impact of a change in management on profitability
• Acted for a fund manager to ascertain whether the hotel was being operated in accordance with the standard required by the lease
• Acted for receivers who were seeking to complete pre-sales contracts which were being contested by purchasers. Opined on the appropriateness of operator selection and the effect on hotel operations and value
• Acted for an international hotel operator in assessing whether hotel performance had deteriorated as a consequence of the operator’s performance or market conditions
• Acted for an insurer to assess the net business interruption loss from fire damage to an accommodation and conference centre
• Acted for an operator to assess the future trading prospects of a convention and exhibition centre and valued the management rights in a partnership dispute
• Acted for a developer to calculate the economic impact of closing half of the hotel rooms and converting them to luxury residential use
• Acted for the owner of the property in a 20 year rental dispute involving reserved rent in excess of $100m

Project Experience

Hilton - Sydney
Indian JV Arbitration >$200M
Barnbougle Dunes
City of Sydney vs Meriton Apartments
Kawarau Falls Station
**STRATA TITLE**

*Dransfield has the specialist skills to overcome the unique issues, risks and documentation requirements of the strata title development model*

Dransfield have acted on numerous strata title hotel and resort projects, often from initial concept to completion. We have a well developed methodology and precedents for the design and delivery of strata title/management rights development schemes.

**Project Marketing**

Strata title tourism products typically require multiple end buyers with different investment criteria than residential or single takeout buyers.

Dransfield have developed, tailored and executed project marketing strategies that present a market friendly offering for both investment and lifestyle purchasers. Dransfield can also integrate a Shared Ownership platform for strata developments, which can reduce ownership costs by more than 80%, by only paying for the amount of the home an Owner wants to use.

**Regulatory Framework**

There is an extensive and complex regulatory framework for both the offering and management of strata title hotels. Dransfield has experience in developing strata title schemes that comply with the full requirements of the Corporations Act as well as schemes that secure relief from the more onerous requirements of the Act.

**Development Approval**

Dransfield have experienced the more complex development approval process for strata projects, where the collective development must respect the individual owner’s requirements and regulatory framework.

**Operations**

Dransfield has the experience to provide guidance to the operator in managing the needs of collective ownership and acting as trustee of a range of individual owners, complying with state and national legislation.

**Commercialisation**

Many strata title schemes have struggled to find end buyers, having been poorly conceived. Dransfield have identified numerous interrelated factors that need to be considered and balanced to achieve a commercially acceptable and sustainable strata title hotel or resort.

**Expert’s Reports**

Dransfield holds an Australian Financial Services Licence and prepares independent expert’s reports for inclusion in prospectuses and product disclosure statements for strata title offerings. We also act as an independent expert in dispute and litigation matters.
**SHARED OWNERSHIP**

*The key to Shared Ownership is to reduce the entry and ongoing costs of a second home, by only paying for the amount of the home an Owner wants to use. This typically reduces ownership costs by more than 80%*

**What is Shared Ownership**

Shared Ownership is a new form of holiday ownership which recognises that it is a second home that is not used all of the time. Typically, six to eight owners buy a share in the home, entitling each owner to 6-8 weeks usage per year.

Shared Ownership enables a holiday home to be convenient and accessible, significantly increasing the market of buyers and quality of holiday home they can enjoy.

**Owners’ Perspective**

- Owners are on title as tenants in common
- Owners occupy their house for typically between 6-8 weeks a year
- The property is fully managed on the Owner’s behalf
- Usage has been pre-allocated and contracted
- Usage allocations can be swapped with other Owners
- Capital can be returned on expiry of the initial agreement term (6-10 years) or on sale of a share
- Independent Owners’ representation by Dransfield

This creates a holiday property for use and long term investment rather than a finance driven product.

**Our Services**

- Design of Fraction friendly property
- Establishment and management of compliant schemes
- Project Marketing and Sales Management
- Financial Structuring
- Documentation (PDS, Owners’ Agreements, Management)
- Operations and development integration
- Ongoing owner management

**Stakeholder Benefits**

**The Developer**

- Alternative strategy to sell down stock
- Can co-exist with whole of home sales and resort operation
- Increases the market size of potential buyers
- Establishes sales evidence for valuation purposes
- Decreases the level of direct competition

**The Operator**

- Gains an additional source of quality room stock
- Reduces interaction with Owners to a single point
- Strengthens management capabilities for proposals
- Reduces issues related to investment owners’ returns
- Increases patronage to brand

**The Financier**

- Potential to add premium to stock for valuation purposes
- Creates sales evidence
- Alternate strategy to sell down existing stock

www.dransfield.com.au
**PUBLICATIONS & PRESENTATIONS**

*Dransfield are up to date with market knowledge through our broad spectrum of mandates and dedicated research team*

**Market Intelligence**

As an industry specialist, Dransfield invests significant resources in gathering and assessing market information. This includes information on:

- Hotel sales
- Hotel owners
- Operational KPIs
- Strata offerings
- Legislative changes
- ABS statistics

Dransfield have developed a comprehensive Knowledge Management System which enables this raw data to be analysed and applied to individual project needs.

**Hotel Futures Annual**

Since 1997 we have produced and distributed *Hotel Futures*, a market forecast of hotel revenues for the ten major cities in Australia. This report also presents and analyses historical occupancy, average room rate and room supply and demand information.

Hotel Futures has a proven track record for accuracy in predicting hotel revenue trends and is used by many operators and owners as the basis for their strategic revenue asset plan.

**Presentations**

Dean Dransfield is regularly engaged by industry participants to present on various tourism related topics.

Dransfield have also developed many specialised presentations and seminar programs on key issues relevant to those involved in hotels and resorts.

Dransfield prepare tailored presentations for many of our clients and provide access to our knowledge bank for specific needs.
CONTACT US

For more information, visit www.dransfield.com.au

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