



*Achieve  
Ambitions*

# *Investment Opportunity*

GO HOTELS – TIMOG AVENUE

Barangay South Triangle,  
Quezon City



# Contents

<b>The Investment Opportunity</b>	.....	03
<b>The Property</b>	.....	04
<b>Market Overview</b>	.....	06
<b>Investment Highlights</b>		
• Location	.....	07
• Accessibility	.....	08
• Financial Snapshot	.....	09
<b>The Sale Process</b>	.....	10

# Investment Opportunity



We, **Jones Lang LaSalle (“JLL”)**, are pleased to present this investment opportunity to acquire and operate a 219-key hotel property located within one of Metro Manila’s most popular entertainment and dining hubs, right in the heart of Quezon City. National Capital Region’s largest city both in terms of geographical space and population, Quezon City is home to government buildings, the Philippines’ leading schools and universities, television networks and studios, large-scale malls, a multi-purpose arena, a national park, and an I.T hub among others, making it to be one of the most progressive districts in the Metro.

JLL has been appointed by Roxaco – Vanguard Hotel Corporation as a marketing agent and transaction advisor to manage the disposition of its Go Hotels branch located at 63 Timog Avenue, South Triangle, Quezon City, Metro Manila, Philippines (the “Property”).

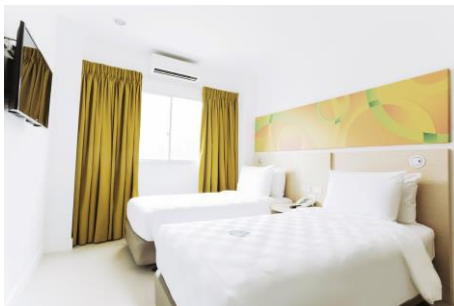
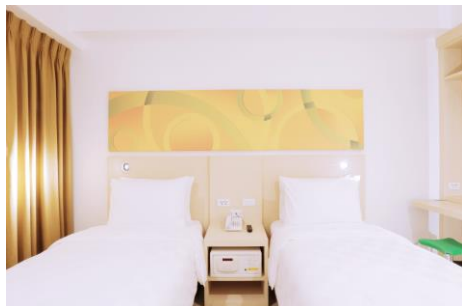
This information memorandum contains further details and has been prepared by JLL to aid potential investors to further evaluate this investment opportunity.

Roxaco-Vanguard Hotel Corporation reserves the right to negotiate with one or more prospective buyers at any time and enter into a definitive agreement for the sale of the Property without prior notice to any other potential purchaser.

## BUILDING HIGHLIGHTS

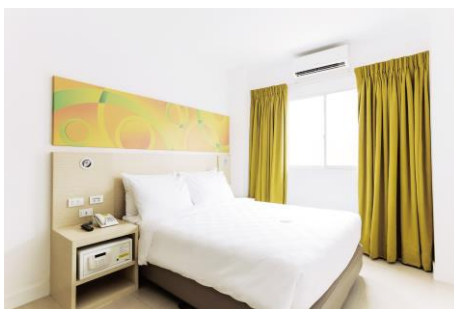
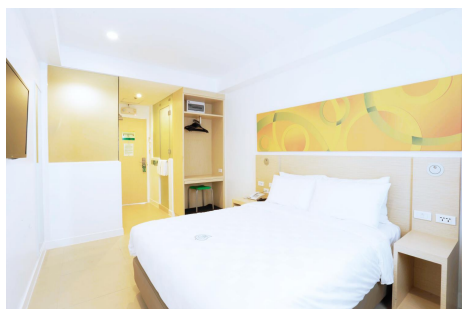
<b>Location</b>	63 Timog Avenue, South Triangle, Quezon City
<b>Completion</b>	2017
<b>Land Area</b>	1,357.10 square meters
<b>Total Floor Area</b>	6,863.00 square meters
<b>Frontage</b>	29.46 meters
<b>Zoning</b>	Commercial
<b>Building Specifications</b>	<ul style="list-style-type: none"><li>• 219-key hotel<ul style="list-style-type: none"><li>• 142 Twin Rooms</li><li>• 74 Queen Rooms</li><li>• Three (3) PWD Rooms</li><li>• One (1) Meeting Room</li></ul></li><li>• (13)-storey building with roof deck<ul style="list-style-type: none"><li>• <u>G/F</u> - (673 sqm.) Main lobby, reception area, retail shop</li><li>• <u>2/F</u> – (646 sqm.) Parking, Garbage room, Electrical room</li><li>• <u>3/F to 13/F</u> – (6,863 sqm. or 504 sqm. per floor) hotel rooms</li></ul></li><li>• Two (2) passenger elevators (Schindler, 13-person capacity or 1000 kilograms)</li><li>• 24-hour security CCTV</li><li>• 100% back-up power</li></ul>

# The Property



## Twin Rooms

The Property has 142 twin rooms. Each room has two (2) single beds.



## Queen Rooms

The Property has 74 queen rooms. Each room has one (1) queen size bed.



## PWD Rooms

The Property has three (3) PWD rooms. Each room has one (1) queen size bed.



## Function Room

The Property boasts a function room which can accommodate up to 70 persons.



## Meeting Room

The Property also has a small meeting room which can accommodate a maximum of 15 people.

# Market Overview



DEMAND DRIVERS



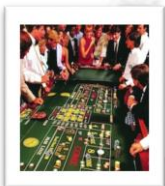
*“The Metro Manila Hotel Market is keeping up with the increasing demand from a variety of sectors, ensuring that the industry performance remains robust. Demand drivers come from both local and foreign demographics, as well as established and upcoming sectors.”*

## LONG STAYING EXPATS

Long-staying expatriates continue to drive demand, particularly in serviced apartments located in the major business hubs such as Makati City and Taguig City. On the other hand, employees from the offshore gaming market are also seen in hotels located in districts where these types of companies are located, such as Quezon City, Mandaluyong City, Pasay City, and Muntinlupa City, keeping occupancy rates in these districts high. These districts also saw limited residential options, pushing employees to stay in hotels instead.



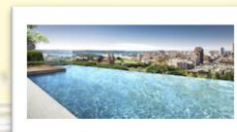
## CASINO GAMING



Casinos continue to drive occupancy rates upward on the back of strong demand. Hotel-casinos usually allocate majority of their development as complimentary rooms for players, leaving a small percentage open to the market. This drives occupancy rates and room rates for these types of developments higher.

## STAYCATION

Hotels are also being booked by the local population typically on holidays and weekends, which is also known as the 'staycation' phenomenon. Local tourists are usually driven by nearby establishments and amenities.



## MEETINGS, INCENTIVES, CONVENTIONS & EXHIBITIONS

Government agencies hold MICE events in Cities where they are heavily concentrated, such as Quezon City, which drives occupancy rates in the area high. On the other hand, companies and organizations usually hold their events in Pasay City due to its proximity with NAIA and the SMX Convention Center, as well as Makati City and Taguig City where majority of the large corporate headquarters are based, and Makati City, due to its proximity to headquarters.



## Key Economic Indicators



6.2%

GDP GROWTH 3Q19  
vs 1Q 5.6% and 2Q 5.5%



USD 24.9 Bn

REMITTANCES  
Jan to Oct 2019  
4.6% y-o-y growth



PHP 73.8 B

GAMING REVENUE  
2019 Estimate



USD 26 Bn

IT-BPM REVENUE  
2019 Estimate  
5.2% y-o-y growth



6.8 Mn

TOURIST ARRIVALS  
Jan to Oct 2019  
15% y-o-y growth



# Location



*“Given the Property’s strategic location and its proximity to major establishments and/or institutions, transportation hubs, and continued developments within the district, we are confident that we can attract a wide range of buyers, particularly those looking for long-term growth potential.”*

## *At the heart of Quezon City*

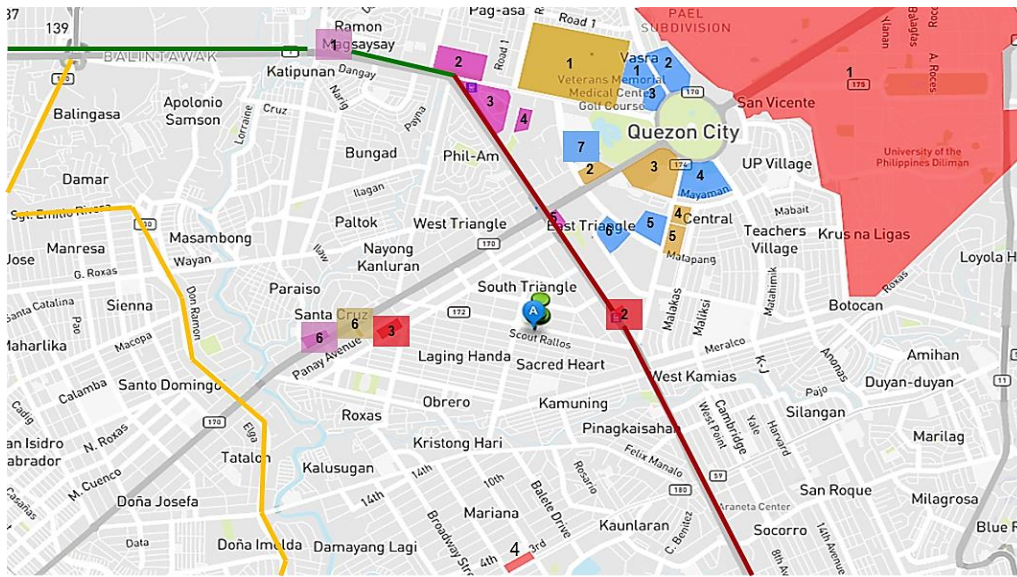
The Property is located at the heart of Quezon City, NCR’s largest city, both in terms of geographical space (64 square miles or 165.33 kilometre-squared and population (approximately 3 million), thereby presenting many opportunities for investment. This gives Quezon City a population density of approximately 17,759 residents per square kilometre.

Quezon City is home to government buildings, the Philippines’ leading schools and universities, TV networks and studios, large-scale malls that command a lot of foot traffic, a multi-purpose arena, a national park, an I.T hub, making it to be one of the most progressive districts in the Metro.

Furthermore, Quezon City’s 3-million strong population is composed mainly of millennials and minors, thereby providing the district a young, energetic, and dynamic workforce, key to the district’s progressive and economic boom.

These advantages are what’s driving Quezon City into becoming the next property and financial hub that will soon offer considerable value to investors, tenants, among others.

# Accessibility



Retail Centers	Schools/Universities	Hospitals	Government Agencies
1 Jackman Plaza	1 University of the Philippines Diliman	1 Veterans Memorial Medical Center	1 Department of Environment and Natural Resources
2 SM North EDSA	2 Manuel L. Quezon University Diliman Campus	2 Philippine Children's Medical Center	2 Department of Agrarian Reform
3 Trinoma Mall	3 St. Mary's College of Quezon City	3 Lung Center of the Philippines / National Kidney & Transplant Institute	3 Department of Agriculture
4 Ayala Malls Vertis	4 St. Paul University Quezon City	4 Philippine Heart Center	4 Quezon City Hall
5 Eton Centris Station		5 East Ave. Medical Center	5 BSP Plant Complex
6 Fisher Mall		6 Capitol Medical Center	6 Bureau of Internal Revenue National Office
			7 Office of the Ombudsman

*“The Property’s proximity to major transport hubs and infrastructure developments provides it with excellent redevelopment and commercial upside thus making it attractive to potential investors.”*

— LRT 1  
— Skyway Stage 3  
— MRT 3

Aside from its close proximity to major commercial establishments, business hubs, schools, universities, and hospitals, its proximity to major transportation hubs such as MRT-3 GMA Kamuning Station (900m), MRT-3 Quezon Avenue Station (1.2km) and MRT-2 Betty Go-Belmonte Station (2.6km) make it an excellent budget hotel choice for travellers.

Further to existing infrastructures, the Property is expected to benefit from upcoming developments such as the new access roads underway including the NLEX Harbor Link Segment 8.2, a 7.85-km, four-lane expressway that will link C-5 Road and Commonwealth Avenue to the North Luzon Expressway (NLEX); the Metro Manila Skyway Stage 3 which will connect the South Luzon Expressway (SLEX) to NLEX from Buendia, Makati City to Balintawak, Quezon City; the MRT-7 which is expected to be completed in 2020 and will have stations in Novaliches, Mindanao Avenue, and Quirino Highway; the Metro Manila Subway which will have seven out of its 15 stations located in Quezon City beginning at Mindanao Avenue-Quirino Highway and ending at the Ninoy Aquino International Airport in Pasay City; and to connect all these, the Unified Grand Central Station will link LRT-1, MRT-3, and MRT-7 by 2022, serving 1.2 million people a day; which will be built at the intersection of EDSA and North Avenue.

The creation of several large transportation projects the will pass through Northern Quezon City will further ease movement around Metro Manila.



# Financial Snapshot



## Assumptions

	Y0	Y1	Y2	Y3	Y4	Y5	Y6	Y7	Y8	Y9	Y10
Occupancy Rate	40%	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%
Market Rate Growth		5%	5%	5%	5%	5%	5%	5%	5%	5%	5%
Ave. Daily Rate (ADR)	2000	2100	2205	2315	2431	2553	2680	2814	2955	3103	3258
RevPAR	800	1680	1764	1852	1954	2042	2144	2251	2364	2482	2606
Net Margin	20%	40%	40%	40%	40%	40%	40%	40%	40%	40%	40%

## Financial Highlights

Acquisition Cost	PhP 665.97 Mn
CAPEX	PhP 16.7 Mn
10-Year Gross Revenue	PhP 1,721 Mn
10-Year Net Operating Income	PhP 682 Mn
NOI Margin	40%
Exit Value on Year 10 @ 8% Exit Cap	PhP 1,006 Mn
Leverage IRR	16.45%
Equity Multiplier	3.32

# The Sale Process



## *Negotiated Sale Process*

Via an Expression of Interest (EOI) through a Letter of Intent (LOI), the Seller is willing to negotiate with any prospective investor. Prospective investor can prepare the EOI according to the official template to be provided by JLL.

## *No obligation to accept LOI*

Negotiations with interested parties who submit an EOI or with any other person will be at the absolute discretion of the Seller. The Seller has the right to change the sales offering process, terminate the negotiations at any time prior to the execution of binding contracts. No person is entitled to any redress against the Seller if the Seller exercises their discretion. The Seller is not responsible for any cost or expenses incurred by any perspective purchaser in preparing and logging an EOI.

*Paul Ryan Isip*

*Senior Director, Capital Markets*

+63 918 903 9918

ryan.isip@ap.jll.com

*Miguel Poblador*

*Manager, Capital Markets*

+63 998 596 4322

miguel.poblador@ap.jll.com

*Izumi Galdo*

*Manager, Capital Markets*

+63 917 130 5661

izumi.Galdo@ap.jll.com

*Sam Kakuta*

*Analyst, Capital Markets*

+63 998 842 2169

sam.kakuta@ap.jll.com



Jones Lang LaSalle

© 2019 Jones Lang LaSalle IP, Inc. All rights reserved. The information contained in this document is proprietary to Jones Lang LaSalle and shall be used solely for the purposes of evaluating this proposal. All such documentation and information remains the property of Jones Lang LaSalle and shall be kept x. Reproduction of any part of this document is authorized only to the extent necessary for its evaluation. It is not to be shown to any third party without the prior written authorization of Jones Lang LaSalle. All information contained herein is from sources deemed reliable; however, no representation or warranty is made as to the accuracy thereof.