

Tsogo to build 500-room hotel complex in Cape Town

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Tsogo Sun (TSH) would begin construction of a 500-room hotel complex in Cape Town's city centre, the gaming and hotel group said on Tuesday...

The R680m investment brings to 2,000 the number of Tsogo Sun rooms in the city centre. The area has attracted a slew of development and renovation driven by tourism and business.

The central business district last year welcomed its first skyscraper in 21 years, namely Portside, which is largely occupied by Old Mutual, First National Bank and subsidiaries such as WesBank, as well as some smaller tenants.

The Cape Town International Convention Centre is also being expanded, and a new hospital and theatre are on the cards.

Tsogo Sun already operates three full-service hotels in Cape Town's city centre: The Cullinan, Southern Sun Waterfront and Southern Sun Cape Sun, as well as the recently refurbished SunSquare Cape Town in Gardens.

"...The continued development and rejuvenation of Cape Town's city centre will lead to growing demand for hotel accommodation," Tsogo Sun CEO Marcel von Aulock said.



Tsogo Sun CEO Marcel von Aulock.

The new hotel complex will consist of the 200-bedroom, latest-design SunSquare hotel and the 300-bedroom, new-generation StayEasy hotel.

Construction, which will start next month, follows an agreement with the owners of the site of the recently demolished Tulip hotel. Included in the complex will be banqueting and conference facilities; Tsogo Sun's casual dining offering, Vigour & Verve; retail space; and about 300 underground parking bays. The hotel will be completed by September 2017.

According to Rob Kane, chairman of the Cape Town Central City Improvement District, by 2020 the total value of property in the Cape Town central business district will be more than R27bn.

HCI-controlled Tsogo Sun's portfolio includes more than 90 hotels and 14 casino and entertainment destinations throughout Africa, the Seychelles and Abu Dhabi. In SA, its portfolio includes Montecasino and the Gold Reef City casino and theme park in Johannesburg, and the Suncoast Casino in Durban.

Tsogo last week was tied up in hearings at the Competition Tribunal over its intention to buy 40% of the casinos owned by rival Sun International.

This followed the Competition Commission's recommendation that the deal be prohibited, arguing it could stifle competition in the Western Cape.

Source: BDpro