

Commerz Real acquires “Onyado Nono” hotel in Kyōto for 200 million euros

- **472 rooms in a central location, leased for 20 years to a renowned hotel operator**
- **Elements of traditional Japanese inns incorporated**

Commerz Real has acquired a hotel belonging to the “Onyado Nono” brand that has just been completed in Kyōto, Japan, for approx. 200 million euros for its open-ended real estate fund hausInvest from fund manager PGIM. The lessee of the 472-room hotel for at least 20 years will be the operating company Kyoritsu Maintenance, which owns the recently established “Onyado Nono” hotel brand. Together with its other brands the group of companies operates more than 15,900 hotel rooms in 84 locations in Japan and South Korea, and is regarded as one of the largest hotel chains in the Asian region.

Located in the central Shimogyō-ku district, the hotel has a leasable area of approx. 16,800 square metres spread across ten storeys and has been awarded the Asian sustainability certificate CASBEE (Comprehensive Assessment System for Built Environment Efficiency). The central station, from which Tokyo can be reached in two hours using the Shinkansen high-speed train, is within easy walking distance. The brand concept of Onyado Nono is based on transforming the ryokan style of traditional Japanese inns for travellers into a more reasonably priced offering, incorporating typical elements such as tatami mats in all the rooms and bathing areas fed with thermal water. In contrast to the somewhat more purist style of ryokans, there will be real beds, however.

“Kyōto is becoming ever more popular among international tourists and consequently has a very attractive hotel market,” explains Dirk Schuldes, Global Head of Hospitality at Commerz Real. The former capital city is regarded as the cultural centre of Japan. In 2018 the occupancy rate for hotel rooms in the city was 94.1 per cent, and the revenue per available room (RevPAR) actually increased by 8.1 per cent. In this respect, growth of two per cent meant the number of overnight stays by international guests exceeded those by Japanese guests for the first time ever according to a survey among hotels in the city. “In addition the Olympic Games are taking place in Tokyo in 2020 – this is likely to lead to a further increase in interest in Japan on the part of international tourists,” adds Schuldes. Moreover, neighbouring Osaka, which together with Kyōto and Kōbe forms a conurbation with some 17.5 million residents, is hosting World Expo 2025.

Commerz Real was advised on the purchase by Savills Japan, on legal aspects by White & Case, on tax matters by PwC, and on technical issues by Deloitte-Tohmatsum.

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Commerz Real AG

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