

# The Sydney Morning Herald

## Veriu Hotel Chain Has Lofty Ambitions

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Author: Carolyn Cummins



Rhys Williams (left) and Alex Thorpe, directors of Sydney's Veriu Hotels & Suites. Photo: Dan Gray

What started as two mates sharing a flat in Bondi, Sydney, with a vision, has become a hotel chain with seven assets and growing.

Veriu Hotel group's Alex Thorpe and Rhys Williams met when they were 10 years old, studied communications at University of Technology Sydney (UTS) together and then started in business 16 years ago. They are still best mates.

They had a vision to go into the accommodation business while looking for a flatmate years ago and realised that, while it is a tough industry, they have the drive and passion to make it work.

They started the Furnished Property student accommodation business and are now firmly entrenched in the hotel sector.

According to the directors, Veriu – which is derived from the Latin word 'verus', which means true and genuine, with the 'u' an expression of individuality (the places u go, the people u meet, the experiences u have and the stories u create) – does not aim to be a "cookie cutter" hotel chain.

"We will offer rooms with lofts, suites that are about 65 square metres that can sleep up to eight people, as well as the standard-style room," Mr Thorpe said.

"But we will embrace the buildings in which we operate with exposed bricks and concrete floors, such as in the recently-opened Veriu Broadway, to carpets and soft lighting in other assets. We want that industrial feel, but in a vibrant area where guests can go out and explore the city."

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One way to do that is by using a Veriu bike, which they say will come in handy when the City of Sydney expands its bike paths.

The one consistent theme will be the relaxed entrance lobby where guests can sit, have a complimentary drink and log on to the WiFi while their bags are checked by the young, vibrant staff.

"We are edgy but are running a business and we have expansion plans across Sydney and definitely into Melbourne," Mr Williams said.

"Veriu Broadway has 64 self-contained suites and rooms, while the new site at Surry Hills will have less, but all will have the same relaxed ambience."

They have a clear strategy for pipeline growth and will use the cash raised from the sale of 14 leaseholds on student accommodation under the Furnished Property portfolio.

"Our focus has evolved with the launch of the Veriu hotel brand and growing this side of the business," Mr Williams said.

"Our goal is to offer 500-plus rooms under the Veriu brand across Sydney by 2020, which requires a streamlining of our strategy to see a number of developments under discussion come to fruition."

Mr Williams and Mr Thorpe are selling the student accommodation assets through Savills director of student accommodation, Conal Newland, who said the portfolio of 14 long-term leasehold properties providing 326 beds in 203 bedrooms, targets students but offers "considerable flexibility to attract a wide range of occupiers".

Capital will be directed into further developments under the Veriu hotel brand, complementing the existing network of three hotels – Veriu Broadway, Veriu Camperdown and Veriu Randwick. Scot Robertson, a director at TGC, has worked on the property deals, while Drenka Andjelic, the managing director of Construction Assignments, was the project manager and Ashkan Mostaghim, the director of mostaghim & associates, was the architect on the interiors.

Another four hotels are confirmed to open. These are Veriu Central, scheduled for a late 2017 opening, and Veriu Elizabeth Bay and Veriu Surry Hills in 2018, while a new-build development at Green Square in partnership with property fund managers Folkestone is slated for 2019. Folkestone's directors said they are pleased to be a part of the Veriu journey and believe the niche hotel market has "solid growth potential".

"We make it happen in areas and buildings where the global brands may be less interested," they said, in unison.

The expansion comes at a time in the hotel cycle when experts say Sydney and Melbourne are under-supplied, despite a wave of new developments in the two cities.

"Yes, there is a lot of supply in the pipeline, but finding the right assets requires patience as some we have earmarked are now being sold for residential development, which shrinks that supply," Mr Thorpe said.