Transparency accelerates transactions

With the market improving for well-located accommodation assets, heightened buyer scrutiny means vendors must be fully prepared with complete, current information from the outset.

The Bayleys hotels, tourism and leisure (HTL) team delivered a standout first quarter this year defined by solid growth in both completed deals and total transaction value. A substantial wave of conditional activity is also moving through the pipeline, reflecting committed engagement and a clear lift in market confidence.

Deals take time and buyers and sellers must factor in transaction runway to allow for pre-purchase analysis and checks. Selling an accommodation or tourism asset takes longer, and requires

Motu Villas, Rarotonga

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far more preparation than most owners expect, says Bayleys national director hotels, tourism and leisure, Wayne Keene.

"Buyers today undertake deep due diligence to understand how a business truly operates, where risk sits, and how sustainable its returns are.

"It's an expectation being driven hard by lenders and advisors working in this space. That level of scrutiny means vendors should have complete, accurate and up-to-date information ready well before going to market.

"When financials, operational data and supporting documentation are incomplete or delayed, deals slow, business continuity can be disrupted, and buyer confidence erodes."

Keene says banks now require extensive detail before supporting a purchase, and with modern systems and digital reporting, that information should be available at the push of a button.

"Vendors who prepare early not only streamline the sales process but also protect the value of their business by demonstrating transparency, stability and operational discipline.

"These are high-value transactions and while Bayleys HTL brokers can steer the ship, the onus really is on our vendors to be proactive in gathering the information required to support a smooth sales process.

"Solid business information and transparent reporting ultimately underpin value, and while buyers pay for verified performance rather than assumptions, motivated purchasers will often pay a premium for assets with demonstrable growth and strong positioning in key markets."

All real estate sectors move through defined selling cycles, and Keene says conditions are now strongly aligned for bringing HTL assets to market.

"Tourism numbers continue to strengthen, business travel is recovering, and New Zealand's geographic distance from global volatility is supporting sustained demand.

> "Quality accommodation assets in strong regional locations are achieving premium pricing.
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"Quality accommodation assets in strong regional locations are achieving premium pricing, Auckland enquiry has surged as the market rebounds, and Queenstown demand is breaking records. Interest is also rising off the back of Active Investor Plus and Business Investor Visa activity, with enquiry strengthening for both existing and proposed commercial accommodation assets nationwide."

ENCOURAGING ACTIVITY

Bayleys was recently tasked with marketing a generational opportunity to secure one of Auckland's most important waterfront precinct development landholdings, incorporating the partially completed Seascape residential tower and two adjacent buildings in the broader Britomart precinct. An announcement on the preferred bidder is pending.

The partially completed Seascape residential tower in Auckland's Britomart precinct

Meaningful hotel sector interest emerged throughout the campaign, with several well-credentialed parties exploring accommodation-led concepts for the site. Hotel owners, operators and mixed-use developers were active in the process, often alongside aligned capital partners and development groups, reflecting the broader uplift in demand for quality New Zealand accommodation assets.

Prospective purchaser strategies commonly incorporated luxury hotel or branded-residence concepts, with some parties modelling upper-upscale, apartment-style accommodation as part of a wider mixed-use scheme. A number of groups assessed hotel uses across both the tower and the neighbouring office property, recognising the scale benefits and operational efficiencies that could be achieved through a combined approach.

The waterfront precinct position, proximity to Britomart, and connection to the wider downtown area supported hospitality-led thinking. For most parties, hotel interest formed one component of a diversified development strategy rather than a standalone hotel proposal, underscoring the flexibility of the site and the strength of demand for premium accommodation offerings in Auckland's core.

"Overall, the campaign demonstrated solid appetite for high-quality accommodation opportunities, reinforcing the continued confidence in New Zealand's hotel and branded-residential sectors," says Keene.

"Also marketed by Bayleys was an accommodation offering in Rarotonga, Motu Villas, which is now under contract subject only to Cook Islands' BTIB (Business Trade and Investment Board) approval. This is a standard threshold to be met, much like New Zealand's Overseas Investment Office requirements for foreign buyers.

"International enquiry featured prominently across both campaigns, demonstrating the broad appeal of accommodation assets in New Zealand and the Pacific."

Owners considering a sale in the next 12–18 months should begin preparing now. Bayleys' *Hotels, Tourism & Leisure* portfolio is released twice a year, and given the runway required to assemble a compelling information pack, the autumn 2027 portfolio release is closer than it seems, says Keene.

"Early preparation will ensure your asset is positioned to capture the full benefit of improving market conditions and rising investor appetite."