



Snow patrol

Owners of property in alpine resorts around the world are increasingly “going for the winter and staying for the summer.” Total Property takes a look at property trends in New Zealand’s alpine hotspots.

For its *Ski Property Report 2024*, Bayleys’ global real estate partner Knight Frank canvassed the sentiment of clients across 34 countries and territories with 60 percent of respondents expecting the price of alpine property to rise in the next 12 months.

Buyers in the French and Swiss Alps were prioritising either snow-sure resorts with longer ski seasons, or targeted locations that offered a broader mix of ski and non-ski activities with recreational options for the summer months.

More than half of the respondents intended to work from their alpine home for longer periods given the rise of remote working models, and 52 percent planned to purchase a home in a ski resort area to rent out as a hedge against inflation.

New Zealand’s alpine towns have enduring appeal and post-pandemic, offer a way of life that has resonated with property buyers. Commercial and industrial property that supports residential growth in these snow-driven areas has also prospered, with satellite locations playing an important role given land constraints in the alpine towns themselves.

So, what’s real estate activity like in our ski resort locations and how are these towns flexing to changing demand?

POTENTIAL TO BE UNLOCKED

Bayleys South Island commercial director William Wallace says the broader South Island market has been resilient in the face of ongoing national economic challenges, with alpine markets bucking trends seen in many other parts of the country.

Construction sector analysts BCI Central revealed that of all the commercial, community, industrial, and multi-residential development projects that started construction in 2023, nearly half were in the South Island.

Wallace points to the Queenstown market which effectively operates in its own market bubble, and where commercial property has attracted record yields, with some of the lowest vacancy rates in the country.

“Location, location, location means high demand, short supply, competition and rising values – buyers across all property sectors cannot get enough of Queenstown.

“However, with this comes challenges and while we’ve seen some good tracts of land opened up for development, there are infrastructural lags with most of the roading projects for example addressing the ‘now’ rather than the future which will have consequences.”

Wallace says off the back of Queenstown’s “darling status”, towns like Wānaka and Cromwell have also flourished, both in their own right for the points of difference they offer, and in the case of Cromwell, as a valuable satellite support town.

“At the gateway to Queenstown, Cromwell is seeing significant industrial and logistics growth with tradespeople, construction companies and a range of other businesses opting for a base there for operational and bottom-line efficiencies.

“We expect to see some rezoning of Cromwell land earmarked as residential to cater to this growing demand for industrial footprint.”

There are opportunities for well-capitalised entities to acquire sites with scale in some of the South Island’s flagship alpine locations, with Wallace citing 3.13ha of land with premium lake and alpine views held in multiple titles across two high-profile sites in Lake Takapō/Tekapo.



“Location, location, location means high demand, short supply, competition and rising values – buyers across all property sectors cannot get enough of Queenstown.

WILLIAM WALLACE
BAYLEYS SOUTH ISLAND
COMMERCIAL DIRECTOR

“Consents for proposed visitor accommodation, residential living options and associated amenities have lapsed on this land, however it previously attracted interest from the international Radisson hotel group.

“Meanwhile, a 34ha Wānaka landholding with extensive lakefront profile is for sale after more than 100 years in family ownership, and has opportunity written all over it.

“Sites with true scale are pretty rare and coveted. Look at what has been achieved at Ayrburn near Arrowtown by Chris Meehan of publicly listed development company, Winton – it’s a paradigm shift for New Zealand.”

Ayrburn is a large-scale hospitality precinct developed around original farm buildings, with six venues now open and more to come. Soon to be built is the Northbrook Arrowtown retirement village, along with a neighbouring 18-room boutique hotel and conference centre.

CHANGING BUYER MARKET

Bayleys Queenstown residential sales manager, Dee McQuillan says there has been a tangible swing in the real estate market post-pandemic and a notable influx of buyers out of Auckland.

“Queenstown is no longer simply a once-a-year ski holiday destination



with many now relocating here for all, or a big part, of the year for better work-life balance supported by new hybrid work practices.

“Some well-capitalised Aucklanders have purchased a home and come to Queenstown for the whole winter ski season, enrolling their children in ski training programmes and working out an education plan to fit with this.

“People have reassessed the way they want to live their lives and are building greater flexibility into real estate decisions.”

First-home buyers in the sub-\$1 million bracket have also been active, according to McQuillan. The Hanley’s Farm subdivision south of Frankton is a popular choice, along with more-established suburbs like Fernhill and Sunshine Bay, and further-afield Kingston, Athol and Glenorchy where good value can be found.

With a squeeze on available CBD and inner-suburban land, McQuillan says there’s real demand for car parking and storage facilities in Queenstown.

“When you have houses with multiple occupiers, tourist vehicles occupying on-street parks, holiday apartment owners needing to store recreational paraphernalia or a spare car – the demand for vehicle and other storage is amplified.”

“
High-profile new developments are changing the face of the Queenstown residential market, and widening the buyer net further.”

SUZIE WIGGLESWORTH
BAYLEYS NATIONAL
DIRECTOR PROJECTS

NEW DEVELOPMENTS

High-profile new developments like Coronet Peak Alpine Villas, Waipuna Rise and Five Mile Villas are changing the face of the Queenstown residential market, and widening the buyer net further, says Bayleys national director projects, Suzie Wigglesworth.

Five Mile Villas is a Gibbons Co. development in Frankton offering 226 standalone, freehold two-bedroom residences priced from \$859k, with Stage 1 scheduled for completion at the end of this year, then Stage 2 and 3 in early 2025.

“These Scandinavian-influenced residences are designed to maximise views of the Remarkables and will appeal to out-of-town buyers seeking an affordable ski base, first-home buyers, or investors – with bulk sale deals available for companies looking for worker accommodation,” says Wigglesworth.

Also in Frankton, the masterplanned gated Waipuna Rise project by Queenstown-based property development company Latitude 45, offers 42 mixed-style apartments and 10 terraced homes with views of the Remarkables.

“This development has broad buyer appeal because it is also consented for 365-day visitor accommodation, giving options for both owner-occupiers and investors,” explains Wigglesworth.

At the base of Coronet Peak, Stage 1 of the Redwood Group’s Coronet Peak Alpine Villas is complete, with Stages 2 and 3 sold out and scheduled to settle later this year. Wigglesworth says the well-priced freehold terraced homes were snapped up quickly, meeting market demand for quality, affordability and well-located assets.

GROWTH DYNAMICS IN WĀNAKA

Positioned at the gateway to the Southern Alps’ Mount Aspiring National Park, and the Treble Cone and Cardrona ski resorts, Wānaka is undergoing significant growth. Traditionally, property buyers have come from Otago, Southland and Canterbury however in the past 18 months there’s been increased demand from Auckland and



Artist's impression of Gibbons Co.'s Five Mile Villas in Queenstown



Winton's Alta Villas at Northlake in Wānaka

“
Around 30 percent of sales in the last 12 months were to North Island/Auckland buyers, and overall, deal numbers are up on the same time last year.”

SHERIE O'NEILL-JOHNSON
BAYLEYS WĀNAKA
BRANCH MANAGER

other North Island buyers, according to Bayleys Wānaka branch manager, Sherie O'Neill-Johnson.

“Around 30 percent of sales in the last 12 months were to North Island/Auckland buyers, and overall, deal numbers are up on the same time last year. The Queenstown Lakes District which includes Wānaka, has been one of the only regions in New Zealand to see value growth post-pandemic highs.”

Several new residential developments have been well-received by the market. More than half of the 27 lock-up-and-leave townhouses in the Alta Villas development by Winton at Northlake, a new mixed-use neighbourhood, are now sold and buyer enquiry remains strong. Residential sections starting at \$550k have now been released in the final

stage of the Northlake precinct along with commercial opportunities, while the Winton-led Northbrook Retirement Village is also underway.

ADDRESSING THE RENTAL HOUSING SHORTAGE

Optimistic that this year’s ski season will defy a softish economy, Paul Anderson, chief executive officer for NZSki Limited says the region has significant challenges in attracting and retaining workers in the service and hospitality sectors given the tight property market.

One of the largest employers in the region with around 1,000 staff, NZSki owns and operates Coronet Peak and The Remarkables ski fields in Queenstown, and Mt Hutt in Methven.

Escalating population growth year-on-year and a shortage of residential rental housing stock has created staff accommodation supply pinch points. Attractive returns for landlords via short-stay visitor accommodation platforms like Airbnb have eaten into rental inventory – exacerbated further by Healthy Homes residential tenancy compliance legislation which treats short-stay property differently to long-term tenanted homes.

New tax rules determining GST now has to be levied on all accommodation bookings through online platforms could see some supply returned to the open rental market, but with the

Queenstown Lakes District resident population effectively doubling to circa-100,000 at peak times – worker accommodation is tight.

A large proportion of NZSki’s staff are from out of town, including a sizeable international contingent, so Anderson says they’ve front-footed the rental shortage, initially leasing the downtown YHA hostel, then buying the Sir Cedrics Tahuna Pod Hostel in the CBD. Common areas and safety mechanisms have been upgraded, and former ground floor commercial premises have been converted, with the new hostel now providing 88 beds.

“We’ve also started building apartments in central Queenstown to supplement five houses we already own, and we’ve acquired a facility in Methven to provide cabins and shared amenities for our Mt Hutt staff,” says Anderson.

“Our accommodation portfolio will provide options for staff across roles, age groups and budgets and while it’s not practical to house all our staff, and accommodation is not our core business, we’re being proactive – despite the upfront costs.”

NZSki has ambitions to expand the Remarkables operation into the Doolans behind the existing ski area to create a world-class multi-basin ski resort with scale. While mindful of conservation values, this would create additional jobs and further bolster the local economy, however, Anderson says beyond accommodation, other infrastructure in Queenstown is lagging.

“The region is in catchup mode and only central government can provide a circuit breaker because despite a whole lot of new residential and commercial projects underway, local

development contributions will never be enough to fund the infrastructural growth required.”

Meanwhile, Australian developer No. 1 Hansen Rd Ltd, has been given fast-track approval to build a 476-apartment worker accommodation complex near the BP roundabout in Frankton, along with other apartments atop a multi-level lock-up storage carpark it owns in the neighbourhood.

FUN CENTRAL

The North Island’s Ruapehu District has cemented itself as a year-round destination for visitors with adventure pursuits like hiking, cycling, kayaking and fishing extending the region’s tourist trails from uphill to down dale.

The two ski areas on Mount Ruapehu within the World Heritage Tongariro National Park – Tūroa on the southern slopes and Whakapapa on the northern slopes – have weathered some administrative and patronage storms in recent years, but remain crucial to the regional economy.

In April, Pure Tūroa Limited was granted a 10-year concession to operate Tūroa ski field after a Department of Conservation-led consultation process, allowing the 2024 ski season to proceed.

“
Ruapehu is not trying to be Queenstown. It’s an easily accessible, affordable and old-school destination.”

JOHN BARTLEY
BAYLEYS WHANGANUI AND
RUAPEHU DIRECTOR

Tūroa’s previous owner, Ruapehu Alpine Lifts (RAL) remains in voluntary administration, but has been given one final government bailout to operate Whakapapa ski field this season under the ongoing management of RAL’s receivers.

Bayleys Whanganui and Ruapehu director John Bartley says the Tūroa operational decision has given the local business community a confidence boost.

“It’s great for skiers and businesses, and there’s good activity in the property market, too.

“Sub-\$500k properties in Raetihi and Ohakune are a great option for first-home buyers looking for an active lifestyle, or holidaymakers seeking a central base that’s a quick drive from Taupō, Whanganui or Palmerston North airports.

“Ruapehu is not trying to be Queenstown. It’s an easily accessible, affordable and old-school destination and this is appreciated by national buyers who made up 44 percent of residential property purchasers through Bayleys Ruapehu in the last 12 months.”

While a public petition for urgent government action to save the seismically challenged and now-shuttered iconic Chateau Tongariro Hotel is circulating, Bartley says the region still has plenty to celebrate.

“The Chateau’s closure has impacted tourism and the local economy but we still see more than 100,000 people hiking the Tongariro Alpine Crossing each year, and around 40,000 cycle the Old Coach Road rail trail annually with the planned Te Ara Mangawhero ecotourism trail connecting Tūroa and Ohakune, expected to further strengthen these visitor numbers.”



NZSki's Sir Cedrics Tahuna Pod Hotel in Queenstown