

WELCOMING THE BOUNCE BACK



WHILE IT WILL TAKE SOME TIME TO RETURN TO PRE-PANDEMIC HIGHS WHEN TOURISM WAS NEW ZEALAND'S NUMBER ONE EXPORT EARNER, KEY INDICATORS ARE ENCOURAGING.



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PEOPLE ARE GENUINELY INTERESTED in what's happening in the hotel, tourism & leisure (HTL) property sector and Bayleys has some very good stock for sale currently.

Around the country, we've been fielding strong enquiry from both new entrants to the market and bigger parties looking to further consolidate their property footprint.

At the weightier end of the scale, genuine buyers are looking to secure stock while there's less competition, while realistically, rising interest rates and escalating inflation may challenge owners of smaller-to medium-sized properties.

For the first time since the start of the pandemic, owners of accommodation

businesses now have 12 months of sequential figures to show potential buyers and their lenders, making exit from the sector smoother and providing confidence and more certainty for those looking to acquire assets.

Tourism recovery is underway with the prime hotel market operating at full capacity, occupancy rates on the up and room rates high.

Nationwide occupancy levels are approaching what they were pre-pandemic, and while transaction data from the Ministry of Business, Innovation and Employment (MBIE) shows fluctuating tourist spending patterns, every dollar spent is being welcomed by the accommodation, hospitality and retail sectors.

Queenstown has rallied faster than other main regions, but staffing shortages and a lack of worker accommodation in the town remain pressure points.

However, the government's recent announcement that Working Holiday Scheme visas will have an automatic six-month extension is good news for the sector as it recalibrates.

International visitor arrival numbers are tracking upwards with healthy interest out of Australia, North America, and Europe.

But while flights and capacity on routes from China are ramping up, with large tour parties now accepted again, industry contacts tell us there are significant administrative delays for passport renewals and processing in China which is slowing the return of this important market.

So, swings and roundabouts across the sector but on the whole, some sense of normality is returning – bring it on!

SALES SNAPSHOT

Chateau Marlborough, High Street, Blenheim: Freehold going concern sale of an 80-key hotel, licensed restaurant and bar, conference, gym and health spa. The total land area of 5,039sqm is split over eight titles with 45 car parks. Sold off-market to an international hotel investor for \$29.8m (*Gill Ireland, Bayleys Nelson; Wayne Keene, Bayleys Auckland*)



Amber Court Motel Nelson, Annesbrook Drive, Tahunanui, Nelson: 16-unit motel configured of large studios and family units appealing to a range of clientele on State Highway 6. Walk-in business opportunity with the market getting stronger and located close to the popular Tahunanui Beach. Good interest that resulted in a sale at \$600,000 to a local buyer. (*Gill Ireland, Bayleys Nelson*)

Appleby House and Rabbit Island Huts, Redwood Road, Appleby, Tasman: Freehold going concern sale of a 25-acre luxury retreat property that included a 380sqm lodge, six boutique huts, glamping tent, 60sqm all-access unit, and a 135sqm banquet hall. Situated in a stunning rural Tasman location this was sold to an individual national buyer for \$4,200,000. (*Gill Ireland, Bayleys Nelson*)



Hurley's of Queenstown, Melbourne Street, Queenstown: Management rights with associated real estate sale of management agreement, over 22 unit titled rooms and three-bedroom owners' home, highly visible site offering 4-star accommodation. Sold to an existing Queenstown accommodation investor for \$2.5m (*Allister Simpson, Bayleys Queenstown; Wayne Keene, Bayleys Auckland*)



Riverlodge Motel and Apartments Nelson, Collingwood Street, The Wood, Nelson: Sale of an 11-unit motel configured over three separate buildings that provide for a range of guests. Boasting a private and very separate three-bedroom managers' accommodation. Located by the beautiful Maitai River and in walking distance to the Nelson CBD this business sold for \$438,000 to a local buyer. (*Gill Ireland, Bayleys Nelson*)

Nadi Bay Resort Hotel, Wailoaloa, Nadi, Fiji: Iconic freehold former market-leading resort sold by way of a mortgagee sale by tender for FJD\$3,150,000. This landmark resort is located on the recently completed Martintar-to-Denarua extension road, by the Wailoaloa Beach roundabout. (*Philip Toogood, Sanjeet Kumar, Bayleys Fiji*)