

# SHOT IN THE ARM FOR TOURISM SECTOR



## CAN WE REBUILD NEW ZEALAND'S APPEAL AS AN INTERNATIONAL VISITOR DESTINATION – YOU BET WE CAN.



WAYNE KEENE, BAYLEYS' NATIONAL DIRECTOR HOTELS, TOURISM & LEISURE

WELCOME TO THE FIRST EDITION of Bayleys' Hotel, Tourism & Leisure (HTL) for 2022 which launches as the country collectively starts to exhale after a protracted period of pandemic flux.

In talking to industry contacts and clients, there's a sense of excitement

about the return of travel freedoms and the reopening of the New Zealand border to international visitors.

With the recent announcement that the border reopening will be fast-tracked, it is hoped that a ski holiday in New Zealand will resonate with our trans-Tasman neighbours who are only a short flight away; that others looking for a break during our winter season will follow suit, and that the ball keeps on rolling.

Business travel will soon commence again and there are encouraging forward bookings for conferences and events – hinging, however, on more certainty returning to the market, including our aviation industry.

The hotel sector is about to have a reset, with all but four of the facilities that were appropriated for managed isolation being returned to the visitor accommodation pool, and we expect

to see significant refurbishment and maybe rebranding in the marketplace to reassure travellers.

While the mood is reasonably positive out there, I know that for many accommodation operators and tourism businesses, the economic and mental path they've navigated throughout the pandemic has been incredibly taxing.

There have been some business casualties – but all credit to the wider sector for refusing to lie down in a bed, not of their own making.

Pre-pandemic, tourism was our largest export earner and while we have some work ahead of us to reclaim that title, I am feeling encouraged by the optimism of a battle-weary sector.

The focus now for the accommodation and tourism industry will be rebuilding our international visitor economy while still encouraging the domestic market to see more of New Zealand.

Slowly but surely, the pressure valve will be released, and we have the challenge of converting the market from the initial rush of visiting friends and relatives into high-spending tourists.

Let's see how it plays out – tempered somewhat by the Russia-Ukraine conflict unfolding which could compromise confidence for European and other long-haul travellers.

Bayleys' HTL team is working hard on the transactional business and property side of the accommodation and tourism sector coin as owners recognise that now is a good time to sell.

Existing players in the industry are on an acquisition trail and looking to reposition themselves in an opportunistic market, and returning ex-pats are expected to find value in a commercial accommodation business that combines an income stream with a home.

Bayleys is altogether better in the hotels, tourism and leisure sector.

Talk to us today if there's an opportunity between these pages you'd like to explore, or if change is on your horizon.

## SALES SNAPSHOT

**Thackeray Street, Hamilton:** The 19-unit Lake Point Motel business in close proximity to the CBD, Waikato Hospital and Hamilton Lake sold for \$1,300,000 + GST (if any). The business includes a three-bedroom manager's apartment and is mixed-use for social housing and hospital guests. (Steve Pett, Bayleys Hamilton)



**Lakes Lodge Okataina, Rotorua:** 28-room lodge plus separate two-bedroom owner's home, includes conference facilities plus food and beverage, in an absolute waterfront location on Lake Okataina. Sold the buildings, chattels, assets subject to a ground lease through to 2058. Sale to ground lessor for \$3,050,000. (Wayne Keene, Bayleys Auckland)



**Golf Road, Tahunanui, Nelson:** Freehold sale of a 13-room motel with four-bedroom manager's accommodation over a total floor area of 610sqm. The 1,487sqm site is located a short walk from the popular Tahunanui Beach. Multiple

offers resulted in a sale to a local investor for \$1,642,000. (Gill Ireland, Bayleys Nelson)



**Flat Rock, Kohatu, Tasman:** Sale of the land, buildings, and business of the Flat Rock Café. With six bedrooms, four bathrooms, and the ability to live on site comfortably with a large 11,095sqm land area and 480sqm of buildings. Sold to an owner-operator moving up from Christchurch for \$800,000. (Gill Ireland, Bayleys Nelson)



**Carnmore Hotel, 840 Colombo Street, Christchurch:** 89-key hotel with floor area of 1,273sqm in close proximity to Te Pae Christchurch Convention Centre. Sold as a freehold going concern to an offshore interest for \$18,400,000. (Wayne Keene, Bayleys Auckland)

