

# Stay

## THE DISTANCE



### IT'S A MATTER OF TRUSTING IN THE PROCESS AND LOOKING FORWARD WITH POSITIVITY AS NEW ZEALAND'S TOURISM SECTOR ADJUSTS ITS COURSE TO THE NEW POST-COVID REALITY.



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

WHILE CONFIRMATION THAT NEW Zealand has enough vaccines for the whole country is encouraging, it is the reopening of our borders that the tourism sector has desperately waited for.

The hotels, tourism and leisure market was slammed when international visitor lifeblood was abruptly severed and it's had to rely on discretionary domestic dollars, government stimulus packages and in some cases, managed isolation contracts (MIQ), to keep afloat.

When life as we know it changed 12 months ago, it was expected that owners of tourism-related property and businesses would flock to sell.

In fact, we have not seen any "fire" sales and largely, owners and operators have hung in there – opting to try and

ride out the COVID storm – some more successfully than others.

Some of the long-held truisms in the New Zealand accommodation market have actually been turned on their head, with the majority of transactions in the past 12 months being to established owners and operators on the acquisition trail, leveraging off their existing assets and recognising an abundance of opportunity in the market.

Savvy investors are thinking "I'll grab this now because when the market changes – and it will – I'll be competing against others".

I've been in the business long enough to know that some premiums have been paid to secure properties and with interest rates still at an historic low, buyers are prepared to accept lower yields because they're still a heck of a

lot more attractive than bank returns.

It has been very encouraging to see the domestic market rally to support the tourism sector by embracing the "Do something new, New Zealand" philosophy.

While those places within an easy drive of Auckland and other main centres have fared best throughout the last 12 months, we must acknowledge that some parts of the country – like Queenstown, and the West Coast – have suffered collateral damage.

Let's hope greener pastures are ahead now that we can welcome Australians back to these shores.

This edition of Bayleys' *Hotels, Tourism and Leisure* portfolio offers 26 exciting opportunities for you to mull over, along with some insights into the boutique accommodation sector and domestic tourism.

Bring on the "New Zealand is open for business" neon sign – and if our Hotels, Tourism & Leisure team can be of assistance to you, please get in touch.

## SALES SNAPSHOT

### Parklane Motor Inn, Takapuna:

Three-level, 32-unit Parklane Motor Inn with buildings totalling 2,106sqm including three-bedroom managers' accommodation and three conference rooms sold as a freehold going concern for \$11,500,000 during Level Four lockdown. Mixed Housing Urban zoned 3,116sqm site in three titles has redevelopment potential. (Wayne Keene, Leanne Bate, Bayleys Auckland)



### Turangi Leisure Lodge, Turangi:

An ex-timeshare resort of 38 accommodation units plus a substantial administration building and other resort facilities including a swimming pool with a land area of 8,675sqm, zoned Industrial Environment. Sold with vacant possession for \$4,400,000 to a substantial Wellington-based investor. (Gordon McGregor, Bayleys Auckland, Zane Cozens, Bayleys Turangi)

### Champers Motor Inn, Lower Hutt:

Business only sale of 24 units, fully licensed restaurant and three-bedroom residence, long lease. Sold to experienced operator for \$1,025,000. (Brent Hannah, Bayleys Napier)

### Collingwood Park Motel,

**Collingwood:** Extensively refurbished nine-unit motel on 1,185sqm site with two-storey managers' residence, four powered motor home sites with two wet rooms and shared kitchen facility sold as freehold going concern for \$1,600,000. (Gill Ireland, Bayleys Nelson).



**Executive Motel, Taupo:** Investment only sale of 11 units, three-bedroom owners' home and 12 car parks in lakefront location. Freehold land 1,012sqm, building area approximately 430sqm. Sold by way of asking price for \$1,890,000 at a 6% yield. (Brent Hannah, Bayleys Napier, Wayne Keene, Bayleys Auckland)

### The Cove Lakefront Resort,

**Taupo:** Business only sale of 17 units, large two-bedroom owners' home, absolute waterfront location including thermally heated spa pools throughout, long lease sold to experienced operator, rent \$280,000pa. Sale price confidential. (Brent Hannah, Bayleys Napier, Wayne Keene, Bayleys Auckland)

**Karaka Tree Motel, Taupo:** 24-unit motel with buildings totalling 1,088sqm sold for \$2,800,000 at a 7.65% yield. 2,555sqm site in Residential zone also has three-bedroom managers' accommodation plus conference facilities and a thermal bore. 21-year lease to January 2027. (Leanne Bate, Wayne Keene, Bayleys Auckland)

### Riverlodge Motel and Apartments,

**Nelson:** The land and buildings of accommodation business the Riverlodge Motel and Apartments on 1,502sqm site in three titles sold for \$1,700,000. 593sqm facilities include 11 units and standalone three-bedroom owners' accommodation. The business sold for \$373,000. (Gill Ireland, Bayleys Nelson)

### Beaches Suites, Tahunanui, Nelson:

897sqm motel on 1,664sqm site off State Highway 6 sold for \$3,225,000 at a 5.58% yield. The 16-unit Beaches Suites motel is leased for 31 years to November 2051. (Gill Ireland, Bayleys Nelson)