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Southern tourist boom prompts new hotel developments

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Safari will build a new Wyndham hotel next to the soon-to-be-opened Ramada at Queenstown.



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Southern tourist boom prompts new hotel developments

CHRIS HUTCHING · FRIDAY MAY 27, 2016

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The tourism boom has prompted the development of another hotel in Queenstown – just as one opens.

Auckland-based developer Safari Group will build a new Wyndham hotel at Remarkables Park near the airport.

Safari is still putting the finishing touches on a new \$35 million 54-unit Ramada hotel ahead of its official opening next month in time for the ski season influx.

The Ramada also offers an investment opportunity, with all of the managed units sold.

Safari offers a gross return of 7.5% based on the sale of freehold titles at Ramada leased for 30 years to the operator, plus 10 days “free use” by the owner.

Prices of the units ranged from \$197,000 to \$550,000 and were marketed locally and in Singapore.

Safari will build the new Wyndham next to the Ramada on Market St.

It will include 81 serviced hotel apartments with 98 beds and nine ground floor retail units.

Wyndham operates several brands and the operator will be announced soon.

Safari Group will also develop 55 residential apartments – a combination of one-bedroom, two-bedroom and two-bedroom with study units – in a separate building immediately adjacent to the new hotel.

The total project value for the development, including the hotel, residential and retail units, is estimated at \$58 million.



Alastair Porter

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It will be Safari's 12th guest accommodation property developed since 2004 – it is also building a \$12 million Ramada on Federal St in Auckland due for completion in September, and a Quest hotel in Taupo (a majority of units in both have been sold to investors).

Safari Group director Robert Neil says moving ahead on a second hotel at Remarkables Park was an easy decision in a “winning formula” of easy-to-develop sunny sites complemented by stunning views.

Remarkables Park chief executive Alastair Porter told NBR the new hotel is an extremely positive sign and he is also delighted at a two-page spread on a booklet produced by the government agencies seeking international interest in investing in 26 hotels over the next 10 years, based on research released yesterday by New Zealand Trade and Enterprise.

Mr Porter says he is talking to other hotel brands keen to bring more mid-range and high-end properties to the resort.

“The feedback we’re getting is that Remarkables Park ticks all the boxes in terms of its location.”

“We’re all acutely aware of the current shortage of visitor accommodation in Queenstown at peak times in particular, and both hotels will help address that.

“Remarkables Park is the largest greenfield site zoned for hotels in the region, so it’s long been envisaged a lot of tourism growth would be centred at Remarkables Park,” he says.

One of his challenges is to convince the Queenstown Lakes District Council to become a partner in a convention centre. The council and central Queenstown business interests are focused on a centre in the town.

The growth in visitors is being facilitated by more airline flights into the tourist town.

There were a few hitches with Air New Zealand's first evening flight last Monday, with poor weather and a fire alarm delaying passengers disembarking for two hours.

Jetstar says it plans evening flights too.

Meanwhile, the buoyant accommodation market has seen a new 78-room \$35 million Accor-owned Sabel branded hotel announced for Christchurch at the northeast corner of Victoria, Montreal and Salisbury Sts. The development will be offered to investors.

Other new accommodation developments in Christchurch include a Novotel at the airport, apartments at 8178 Colombo St, Quest in Gloucester St, Crowne Plaza in the former Forsyth Barr Hse, and rebranding the Millennium as Distinction.

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