

# Queensland Motel, Guest House and Backpacker Hostel Market Snapshot Summary 2018



For motels, guest houses and backpacker hostels across Queensland, calendar year 2018 generally witnessed good buyer demand in metropolitan and coastal locations, whilst demand for regional assets remained subdued. Apart from lessee's interest transactions, supply across Queensland has been steady, although below-average.

Lessee's interest sales continue to be the most active, with a reasonable level of transactions throughout all areas of Queensland. The volume of sales for going concern interest assets remained relatively static, however prime assets have exhibited a tightening in yields. By comparison, lessor's interest transactions remained consistently weak, despite demand being present for well-located assets with long residual lease terms.

## Sales Transactions

A selection of notable sales transactions for 2018 is summarised in the table below:

Property	Sale Price	Interest Sold	Rooms	Site Area (Sqm)
Riverlakes Caboolture Motel, Caboolture South	\$950,000	Lessee's	28	6,038
Best Western Ambassador on Ruthven Motor Inn, Toowoomba	\$1,750,000	Lessee's	34	4,341
Aspley Sunset Motel, Aspley	\$1,950,000	Going Concern	12	1,601
Best Western Ambassador Motor Lodge, Pialba	\$2,100,000	Lessor's	21	2,023
Rydges Gladstone	\$2,900,000	Going Concern	95	6,333
Comfort Inn Robert Towns, Townsville City	\$3,600,000	Lessor's	47	3,035
Limes Hotel, Fortitude Valley	\$3,850,000	Going Concern	21	261
Airport Ascot Motel, Hamilton	\$4,400,000	Lessor's	26	810
Travelodge Rockhampton, Rockhampton City	\$5,800,000	Going Concern	74	3,210

## Domestic and International Visitors

Queensland continues to experience growth in the number of domestic and international visitors, which is a positive for short-term accommodation assets across the State. Similar growth is expected over the short-to-medium term.

	Domestic			International		
	Year ending Sep-17	Year ending Sep-18	Growth %	Year ending Sep-17	Year ending Sep-18	Growth %
Number of visitors ('000)	22,794	22,110	3.1%	2,640	2,762	4.6%
Visitor nights ('000)	85,982	92,074	7.1%	53,596	54,484	1.7%
Average visitor nights	4	4	0.0%	20	20	0.0%
Trip expenditure ('000)	15,654	17,606	12.5%	5,285	5,895	11.5%

Source: Tourism Research Australia

## Market Outlook 2019

LMW expects market demand to remain healthy in 2019 for quality short-term accommodation assets in metropolitan and coastal locations which provide strong cash flow profiles or long residual lease terms. The market for regional assets generally appears to be stabilising and presents opportunities for purchasers to capitalise on the recovery in the resources sector.

Should you require advice or assistance with any valuation or consultancy matter, please do not hesitate to phone or email.

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