

New lease on lifestyle

Motels proving popular

Anna Chisholm

IN THE wake of the global financial crisis, savvy Queenslanders have found a new home in the motel business.

Seeking a secure investment and income, people are investing in motels and serviced apartments.

Motels sales, leasing and management rights specialist, Resort Brokers Australia managing director Ian Crooks, said motels were not as labour intensive as other small businesses and were generally a secure investment.

"We're getting a lot of retired couples who lost equity and superannuation coming back into the work market as quite a strong demographic," he said. "The majority are 40 to 55, some are semi-retired and work six months of the year."

Mr Crooks said a recent trend has been two couples buying a large motel lease, each working short periods on and off.

Motel leasing had allowed younger people into the industry and to own a business.

"You can buy the lease for about \$300,000," he said.

"All you need to do is sell a home and you have the money to buy a hotel lease and live onsite."

Mr Crooks, who has been in the business for 25 years, said occupancy rates in Queensland had barely changed – the average rate being 58 or 59 per cent.

"I see that moving up driven by areas such as Townsville, Roma, Dalby and strong mining areas," he said. "There's a real shortage of motels and a lot of interest from developers in mining areas."

Resort Brokers has settled 31 properties settled since July.

"We have another 18 or 19 under contract, some will



settle before Christmas," Mr Crooks said. "The market is lifting, demand is lifting."

Sam Charlton, 35, bought his four motel leases through Resort Brokers.

He has been in the motel business for six years and his businesses provide mixed accommodation within 10km of the Brisbane CBD.

The father of three entered the motel business seeking a better lifestyle.

"Leaving behind a career in investment banking for the tourism and accommodation industry was a risk I was willing to take," he said.

"Things have improved year on year, profitability has been trending upwards and we've seen growth from repeat business."

With seven conference rooms across his four Brisbane motels, his businesses attract a wide clientele.

Two of them provide a mix of apartments and mo-

GOOD RETURN: Kingsford Smith Hotel owner Sam Charlton says people should be prepared for hard work and rewards.

Picture: Mark Calleja

tel suites, the other two have standard motel suites.

"The first hotel I bought we lived onsite and then employed managers to run the business," he said.

Entering the market in 2004 there was little risk.

"The economy was relatively stable then but the (global) financial crisis did impact us – the first thing companies cut out is travel," Mr Charlton said.

He bought his second motel in 2007 and the third in 2008. "It wasn't a difficult decision, waiting for the right business to come along that fitted in with the other hotels," he said.

Mr Charlton said motels with 50 rooms or less were a good place to start as a small business owner.

"What I liked about it was the predictability. They're reasonably stable in terms of occupancies and business cycles," he said.

"Motels cover all facets of people. You deal with clientele face to face and there's a variety of ways to market your business and source customers."

Mr Charlton said Brisbane interested him because of the fundamentals of southeast Queensland.

"Brisbane's population growth and business growth attracted me. There's a good mix of corporate and leisure customers," he said.

"The rise in the Aussie dollar hasn't really affected us. There's been little impact on the international leisure patronage."

Mr Charlton said people looking to enter the market should be prepared for hard work and rewards.

"With a restaurant you're only as good as the meals you cook but there's a lot of satisfaction from a well-maintained and well-run motel," he said.

The Zone

SPECIALIST sustainability consultancy Cundall has appointed **Ben O'Callaghan** as its Queensland state manager.

With nearly 20 years project management experience across a range of companies and government agencies, O'Callaghan is a GBCA Green Star Accredited Professional.

Previously a director of Neco, he has also lectured at Bond University's School of Sustainable Development.

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AFTER almost 20 years as Fairweather Proberts Architects, the well-known company has changed its name to bureau^proberts.

The practice has worked on some of the most successful projects in Queensland including McLachlan and Ann, Iceworks, Saville (now Mantra) Southbank and Kelvin Grove Urban Village and has been the recipient of numerous industry awards.

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INTERIOR fitout company TDA Interiors is continuing its expansion in Queensland after being appointed five new projects.

It will complete fitouts for Griffith University, Brookfield Multiplex, University of Queensland, GP Super Clinic and Virgin.

The group's staff in Queensland now numbers 15.

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KING & Co managed to collect \$1700-plus during its "Movember" moustache-growing competition to raise money and awareness for male medical needs.

In a hotly contested competition between six agents, **Greg Woods** placed first in the Best Use of Hair category.

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