

CASE STUDY NOOSA BLUE

Noosa Blue Resort is located on Noosa Hill, Queensland. There are 65 one bedroom apartments, Bar & Bistro and a 200 square metre conference centre. The Resort has won many tourism awards since opening including Best Value Accommodation 2006 and 2007 in the prestigious The Australian Travel and Tourism Awards.

Dransfield has had a long association with this resort which was transformed from the Oasis Palms Motel.

Dransfield was initially engaged by the owner's bank to review the motel's performance for funding purposes. The bank became comfortable with the asset.

The owner then had the opportunity to acquire a part interest in a substantial new Management Rights Scheme, The French Quarter, which at 108 rooms was one of the first large serviced apartment resorts. An unusual mix of 50% one bedroom suites and 50% two bedroom suites.

Over time Dransfield assisted the client secure a 100% interest in the Management Rights Scheme. Operation of this Resort was a strategic move to assist in the design and operation of the proposed new Resort on Noosa Hill.

Dransfield was then engaged by the Owner/Developer to assist in the creation of Noosa Blue. Dransfield participated in all stages of the development and establishing operations including:-

- Commercialisation of the **design** including units, pool, conference facilities etc.
- Operational and total project **feasibilities** (preliminary and final).
- Arranging construction and term **financing**.
- Project cost and funding reviews.
- **Project marketing** strategy including compliance with the new Managed Investments Act and still securing market acceptance.
- **Investment analysis** for prospective investors.
- Appointment of General Manager.
- **Operations** and marketing plan for the resort.

Noosa Blue was a ground breaking project specifically designed to meet the market circumstances of the day. The strata sales market was slow and the site then considered a secondary location. With the developer we designed an investment friendly product. This included a guaranteed return underpinned by value management in development costs. A strong operating profile supported by conference infrastructure and a unique selling position as an indulgent couples resort.

The Noosa Blue project was a success with original unit sales 20% above valuation and initial operating performance exceeding pre-commencement targets. The funding structure enabled the developer to access a substantial development profit from a thin equity base in an adverse market.



www.noosablue.com.au

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