

HOTEL INVESTMENT GUIDE

MORETON BAY, QUEENSLAND, AUSTRALIA

EATONS HILL HOTEL

INVEST
MORE
MORETON BAY, QUEENSLAND

Moreton Bay
Regional Council

MORETON BAY REGIONAL COUNCIL IS SEEKING TO ATTRACT INTERNATIONALLY BRANDED HOTELS

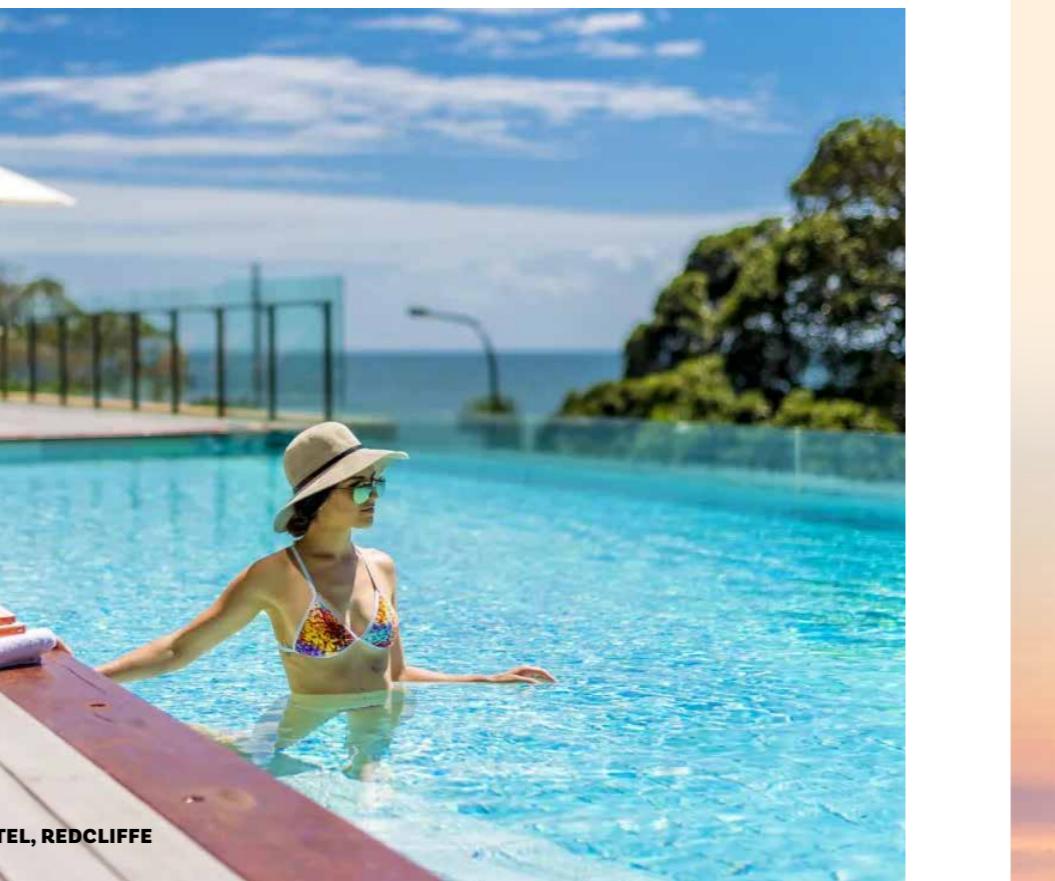
Boasting twice as many annual visitors as Noosa, diverse natural attractions, a year-round calendar of events, the NRL's newest team the Dolphins, and a proactive and supportive Council, South East Queensland's Moreton Bay is already one of the state's most popular tourist destinations.

Moreton Bay has plans for more inspiring and exciting developments across several precincts which will result in 100,000 new jobs and \$40 billion economy.

In a market which welcomed 4.3 million visitors in 2021 and generated 2.4 million visitor nights, Moreton Bay is significantly undersupplied to support the needs of a growing economy.

This guide provides the essential tools to navigate and understand the opportunity of investing in Moreton Bay.

Moreton Bay needs up to 8 hotels and 1,395 rooms by 2032 to cater for a growing and thriving region.



HOTEL OPPORTUNITIES IN MORETON BAY, QUEENSLAND, AUSTRALIA

Demand and supply modelling estimates that there will be sufficient demand to support the development of up to 8 internationally branded hotels with a total of 1,395 rooms across all properties in the next decade.



MORE HOTEL OPPORTUNITIES

Each hotel opportunity has something unique to offer and is underpinned by different demand drivers lending itself to different investment opportunities. Hotel investment opportunities range from upper midscale through to upper upscale market positionings, from ocean views to Olympic venues, and from university precincts to innovation hubs and master-planned communities.

NORTH LAKES

180 ROOMS UPSCALE FULL-SERVICE

- Established & expanding commercial, retail & health precincts.
- Excellent accessibility by road (M1) and air (Brisbane International Airport).

Key visitor markets:

- Health
- Weekend leisure
- Midweek corporate & MICE
- Sport
- VFR

REDCLIFFE

OPPORTUNITY #1: 225 ROOMS UPSCALE / UPPER UPSCALE FULL SERVICE

OPPORTUNITY #2: 250 ROOMS UPSCALE / UPPER UPSCALE FULL SERVICE CONVENTION

Key demand drivers:

- Redcliffe Peninsula is one of the most popular leisure & events destinations in the region.
- No true hotels on the Redcliffe Peninsula
- Moreton Bay (Redcliffe) Stadium in Redcliffe is home to Brisbane Roar men's soccer team and a new national NRL team.
- Scarborough Harbour Marina expansion and connection to the 'Bay'.

Key visitor markets:

- Sport
- Leisure
- VFR
- MICE & functions
- Events & festivals

THE MILL

OPPORTUNITY #1: 180-200 ROOMS UPPER MIDSCALE SELECT SERVICE

OPPORTUNITY #2: 200 ROOMS UPSCALE FULL SERVICE

Key demand drivers:

- Once complete, The Mill is estimated to support up to 6,000 jobs across multiple industries.
- Continued expansion of USC Petrie campus will stimulate education & conference-related demand.
- New-build 7,000-8,000 capacity sports facility at The Mill will host the 2032 Olympic boxing event.

Key visitor markets:

- Education
- Corporate
- Sport
- MICE
- Leisure
- Events & festival

SOUTH PINE SPORTS COMPLEX

OPPORTUNITY #1: 180 ROOMS UPPER MIDSCALE/UPSCALE

OPPORTUNITY #2: 160 ROOMS MIDSCALE HOTEL OR SERVICED APT

Key demand drivers:

- Significant recent and ongoing development and investment in sporting infrastructure will stimulate room night demand from international, national, state and regional sporting events.
- Construction of a new \$18 million state-of-the-art soccer Women's Centre of Excellence and Youth Academy is currently underway that will become the new home for Brisbane Roar Women when they relocate in 2023.

Key visitor markets:

- Sport
- Leisure
- MICE & functions
- Events & festival

CABOOLTURE

100 ROOMS UPPER MIDSCALE FULL SERVICE

Key demand drivers:

- Important sub-regional health, commercial & education centre.
- Currently limited supply of quality accommodation available midway between the northern Moreton Bay Region and southern parts of the Sunshine Coast.
- Caboolture is the focus of significant future investment (Caboolture West) that will eventually provide approximately 30,000 homes for around 70,000 people and generate close to 23,000 jobs.

Key visitor markets:

- Corporate
- Education
- Leisure
- VFR
- Events & festivals

MORE REASONS TO INVEST IN THE MORETON BAY REGIONAL HOTEL MARKET

- The Moreton Bay region is positioned between Brisbane City to the south and the Sunshine Coast to the north.
- Spanning more than 2,040km² the region boasts a diverse mix of coastal communities, an expansive hinterland, and pockets of thriving urban development.
- Brisbane Domestic and International Airports, located 20 minutes south of the region, are the third largest airports in Australia by passenger numbers.
- Australia's 3rd largest LGA and 5th fastest growing region fuelled by a \$40 billion economy which already acts as SEQ's engine room.
- Fast establishing itself as a sports, tourism and event destination following multimillion-dollar investments in sporting infrastructure.
- The region is home to Australia's newest NRL team The Dolphins and will be a host venue for the 2032 Olympic and Paralympic Games.
- **Current limited supply of full service-hotel accommodation, with only 204 full-service rooms available to accommodate 4.3 million annual visitors to the region, which is double Noosa's annual visitation.**



MORE ECONOMIC GROWTH

Moreton Bay is experiencing rapid growth in its population and economy. In the last decade the region's population grew by 21% and continues to climb at a similar rate. Competitively priced residential and commercial land and premises underpin a strong economic performance which continues to attract residents, new businesses and a highly skilled workforce.

Supported by an array of strategic plans, public and private partnerships and collaborations, the Regional Economic Development Strategy (REDS) represents a fresh focus to grow the economy by building on four key priority sectors:

- **Tourism, sport and major events**
- **Advanced manufacturing**
- **Food and agribusiness**
- **Knowledge, innovation and entrepreneurship**



MORE MAJOR PROJECTS

- **The Mill at Moreton Bay**

Once complete, this innovative site is expected to add \$950 million to the regional economy annually and support 8,600 ongoing jobs. The 460ha greenfield State Priority Development Area's urban footprint incorporates 65ha of development potential, twice the size of the Brisbane CBD. It also includes more than 110ha of rehabilitated open space which will include future tourism and recreation opportunities.

- **University of the Sunshine Coast Moreton Bay Campus**

Situated at the entryway to The Mill, USC Moreton Bay is Queensland's newest university campus and the first full-service university in the region. Stage 1 opened in February 2020 and exceeded enrolment expectations of 1,200 students in the first year. Upon completion in 2030, the 10.5ha precinct is expected to provide education for more than 10,000 university students in its first 10 years and 25,000 over the long term.

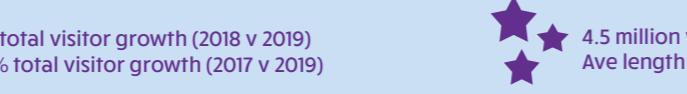
- **North Harbour Marina**

Following the site being declared a PDA in late 2020, work is underway to build a waterfront precinct with 400 marina berths, 500 dry storage docks and more than 500 private pontoons. The 570ha Marina Village will offer 2,000 residences and a community and visitor precinct with mixed-use retail, dining and entertainment offerings. The \$2.7 billion project is expected to create up to 7,000 jobs and inject \$707 million into the Moreton Bay region annually.



MORE VISITORS

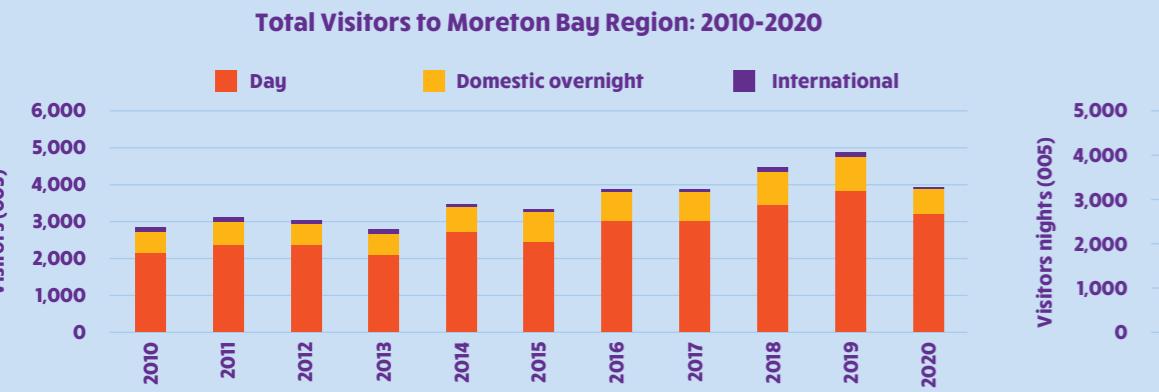
Moreton Bay's visitor economy is multifaceted with demand driven by traditional leisure and sports visitors, visiting friends and relatives visitors (VRF), festival and event goers, business travellers and education and health-related visitors. Each market segment is driven by different demand forces in different locations, and each has different accommodation requirements.



Between 2017 and 2019 the Moreton Bay region experienced a 25.5% increase in visitors, up from 3.87 million in 2017 to 4.85 million in 2019. This was fuelled by an increase of 29% in day visitors, 11% increase in domestic overnight visitors and a 28% increase in international visitors. Constrained by a lack of supply, growth in visitor nights has not matched the same upward trajectory and has declined, albeit marginally, by 0.4% from 4.5 million in 2017 to 4.48 million in 2019.

Conversions of day visitors into overnight visitors to deliver increased economic benefit is hugely important and the supply of the right type of accommodation in the right location to meet unmet demand is essential to achieving this. There is a significant opportunity for early entry hotel investors to establish their presence in an uncrowded marketplace.

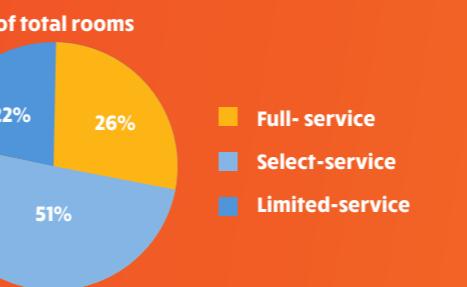
Popular destinations include the Redcliffe Peninsula, Bribie Island and Sandstone Point, which collectively attracted around 50% of all overnight visitors to the region in 2019. In terms of growth, predominantly driven by the VFR and business markets, the Brisbane fringe area has recorded the strongest growth in overnight visitors, increasing by 120% to 96,100 visitors from 2018 to 2019. Source: THSA report (2019).



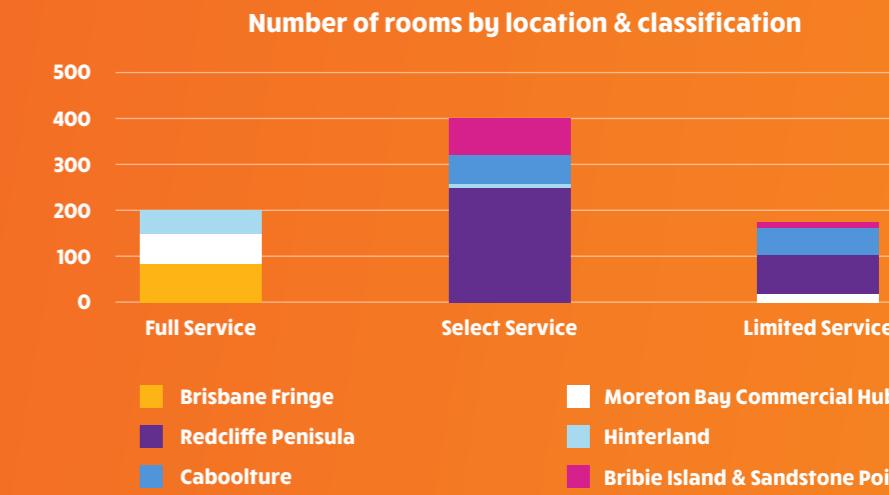
*Results for 2019 reflect typical yearly tourism results for the region. Regional results for 2021 were 4.3M visitors and 2.4 million visitor nights.

HOTEL SUPPLY

In a market which welcomed 4.85 million visitors in 2019 and generated 4.5 million visitor nights, with only 290 internationally branded hotel rooms and only 204 full-service hotel rooms, Moreton Bay is significantly undersupplied to support the needs of a growing economy.



Branded rooms	= 290
Unbranded rooms	= 432
Total rooms	= 722
Branded properties	= 5
Unbranded properties	= 17
Total properties	= 22



Moreton Bay is characterised by several small-scale, unbranded commercial accommodation operators who have traditionally geared their business models to service the leisure market. As a result, they do not typically meet the accommodation demands of all visitor markets, most notably the corporate, MICE and sports group visitor markets.

An audit of existing accommodation in the region identified a total of 772 rooms across hotels, motels and serviced apartments, comprising 290 internationally branded hotel rooms and 482 non-branded rooms. Only 204 rooms across three properties, equivalent to 26% of total commercial rooms available, are considered full-service hotels. Namely, the 51-room Mercure Clear Mountain Lodge and 63-room Best Western Plus North Lakes Hotel (both internationally branded) and the independently operated, non-branded, 90-room Eatons Hill Hotel.

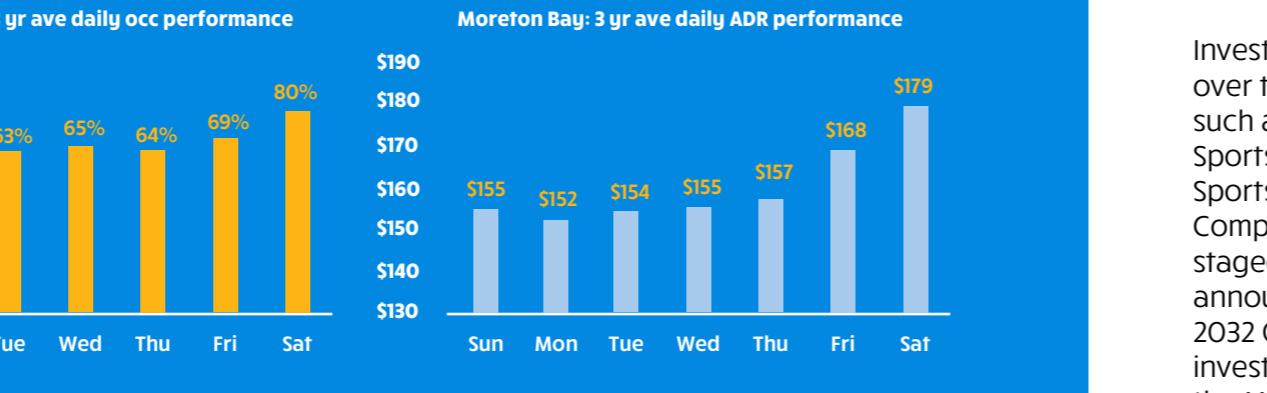
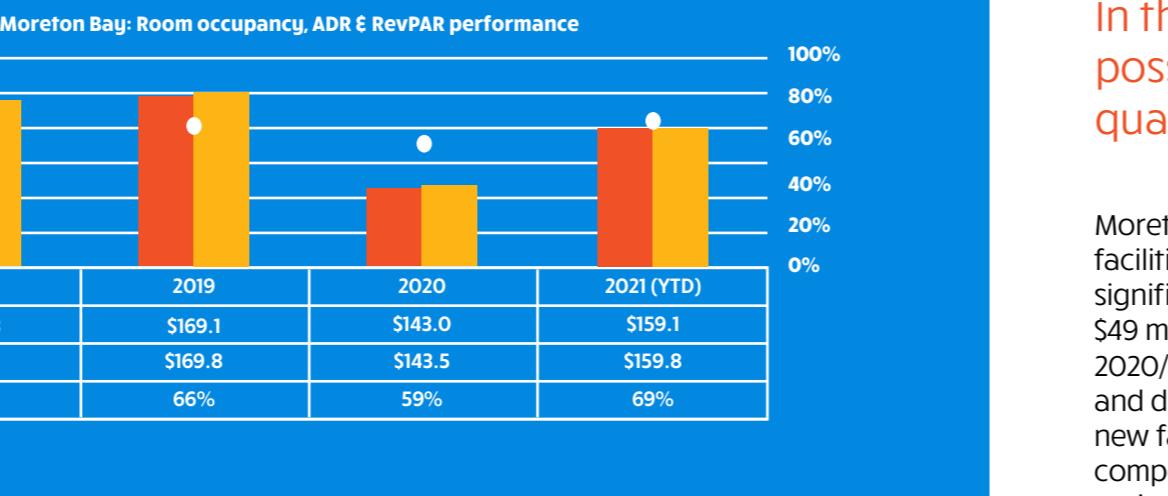
There is a high concentration of Airbnb and other visitor accommodation rental properties listed on other shared platforms (such as Vrbo and Stayz) in strong leisure-focussed destinations such as Bribie Island and the Redcliffe Peninsula, where there has been a limited investment in hotel supply to meet increasing demand.

Branded hotels & serviced apartments	No. of rooms
Best Western Plus North Lakes Hotel	63
Mercure Clear Mountain Lodge	51
Oaks Redcliffe Mon Komo	70
The Sebel Brisbane Margate Beach	60
Best Western Caboolture Central Motor Inn	20
Best Western Caboolture Gateway Motel	26
Total	290

HOTEL PERFORMANCE

Pre Covid-19, Moreton Bay's hotel market recorded year-on-year growth in RevPAR performance, with any new supply entering the market being completely absorbed by pent-up demand.

- Moreton Bay benefits from strong weekend room occupancy and ADR performance, reflecting the current dominance of the leisure market in generating room night demand.
- For an urban fringe market, ADR performance is notably strong. In 2018 and 2019 for example, Moreton Bay averaged 7% above the Brisbane market which achieved average ADR outcomes of \$156 and \$158 respectively. Even during 2020, Moreton Bay's RevPAR performance at \$85.45 was stronger than Brisbane's at \$62.52.
- Performance trends suggest stimulated demand across the business visitor and residential MICE segments could greatly assist in boosting midweek demand and during the traditionally off-peak holiday periods. It will also enable Moreton Bay to grow both its leisure and corporate visitation markets in parallel with each other. These trends also suggest future increase in full-service hotel supply could assist in attracting business visitors to stay overnight in Moreton Bay, rather than travelling outside of the region for an overnight stay.



MORE SPORTS EVENTS AND INFRASTRUCTURE

In the last 5 years MBRC has invested, and continues to invest, significant capital in sports infrastructure, possibly more than any other regional council in Australia. However, the lack of visitor accommodation, of quality and scale, is a major factor preventing Moreton Bay from maximising its sports tourism potential.

Moreton Bay has a strong portfolio of facilities which have benefited from significant investment in recent years, with \$49 million being spent by MBRC in the 2020/21 financial year alone. The scale, quality and diversity of sports offered at these new facilities – to national and international competition standards – has amplified the region's confidence to bid and host large-scale events and has encouraged premier sporting teams to relocate to the region.

Investment commitment is set to continue over the next decade as existing facilities such as South Pine Sports Complex, Griffin Sports Complex, Moreton Bay Central Sports Complex, Caboolture Sports Complex continue to deliver on their staged masterplans. Following the recent announcement of Moreton Bay as host to 2032 Olympic boxing events, preliminary investigations are underway to plan for the Moreton Bay Indoor Sports Centre,

a new-build, 7,000-8,000 spectator capacity centre at The Mill.

There is significant appetite and enthusiasm amongst stakeholders involved in attracting, organising and hosting sports events, as well as those involved in precinct planning asset management to amplify the region's position and economic contribution as a sports tourism destination. That said, the development of suitably oriented visitor accommodation is required to attract, bid for and secure large, multi-day high profile events which are currently hosted by destinations like the Sunshine Coast, Gold Coast and Brisbane.

The economic windfall associated with maximising Moreton Bay's sport tourism is huge, however the development of new, suitably oriented visitor accommodation is the catalyst in achieving these benefits.

- MORETON BAY PREMIER SPORT TEAMS:**
- Brisbane Roar Mens A-league soccer team
 - Brisbane Roar Womens A-league soccer team (2023)
 - New Queensland Dolphins NRL team (2023)



We have a dedicated Investment Attraction team offering hands on support and making vital information easily accessible to investors and businesses.

COUNCIL SUPPORT

- A single, convenient and dedicated contact
- Free pre-lodgement advice to assist in streamlining applications
- Free access to professional development resources and economic profiles
- A dedicated Economic Development Team to support your expansion or assist with your relocation needs

JOIN #TEAMMORETONBAY

Team Moreton Bay is a collaboration across business, industry, community, and a hands-on Council that actively works to support your business investment in the region.

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