

Sunshine Tower Hotel

136 Sheridan Street, Cairns



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Introduction

Cairns is firmly placed as one of Queensland's premier tourist destinations positioned on the doorstep of the World Heritage listed Great Barrier Reef & Daintree Rainforest, and benefits from an International Airport.

The Property has seen resilient trading throughout the COVID-19 pandemic. Outperforming the market, the Hotel has achieved an occupancy in excess of 83% over the past 6-months despite border closures to the main inbound domestic & international markets. The vendors are proactive in their management of the hotel but are new to the hotel industry and the property could benefit substantially from a hands-on operator or a brand, to drive the marketing & subsequent bookings.

Detailed information on the Property, including financial, legal and property information, is available for review upon the execution of a confidentiality agreement.

"The property maintains a commanding position on Sheridan Street with magnificent views in all directions from the mountains to the sea"



Executive Summary

Property Particulars

Property Address	136 Sheridan Street, Cairns
Site Area	1,532 sqm (approx.)
Lot/Plan No.	Lot 1 – 63 Building Unit Plan 102630
Tenure	Freehold
Opening	1990 (Extensively refurbished over 2018–2021)
Accommodation	61 hotel rooms/apartments comprising a variety of room types
Retail Tenancies	The Dumpling Studio Beautylashious Cairns
*The retail tenancies produce \$100,728 p.a. gross income through leases to third parties that the incoming purchaser would receive the benefit of.	
Amenities & Facilities	Resort-style swimming pool & spa BBQ & Breakout poolside area Laundry facilities
Management	Accor brand & management
EBITDA	EBITDA of \$1.16m+ projected based on last 6 months trading (which included months with very limited interstate guests)
Parking	26 secure undercover bays
Forecast EBITDA	\$1.2 - \$1.4 million – see financials



Investment Highlights



\$1.2 million plus EBITDA forecast

Request the financials to see the healthy forecast income for 2022 & beyond.



Large room size

The average room size is 35 sqm with rooms up to 41 sqm.



Vacant possession of brand and management

The Hotel provides operators with the opportunity to obtain a foothold in the tightly held Cairns hotel market.



Resilient trading in the face of COVID-19

The Hotel has seen strong occupancy over the past 6-months enjoying in excess of 82% occupancy, outperforming the broader Cairns market.



Fully renovated

The Hotel has been fully refurbished with no immediate requirement for CAPEX.



Flexibility

Easily adaptable to suit a short-term accommodation model. The existing operation has catered to longer stay guests, benefitting from the extremely tight Cairns rental market.

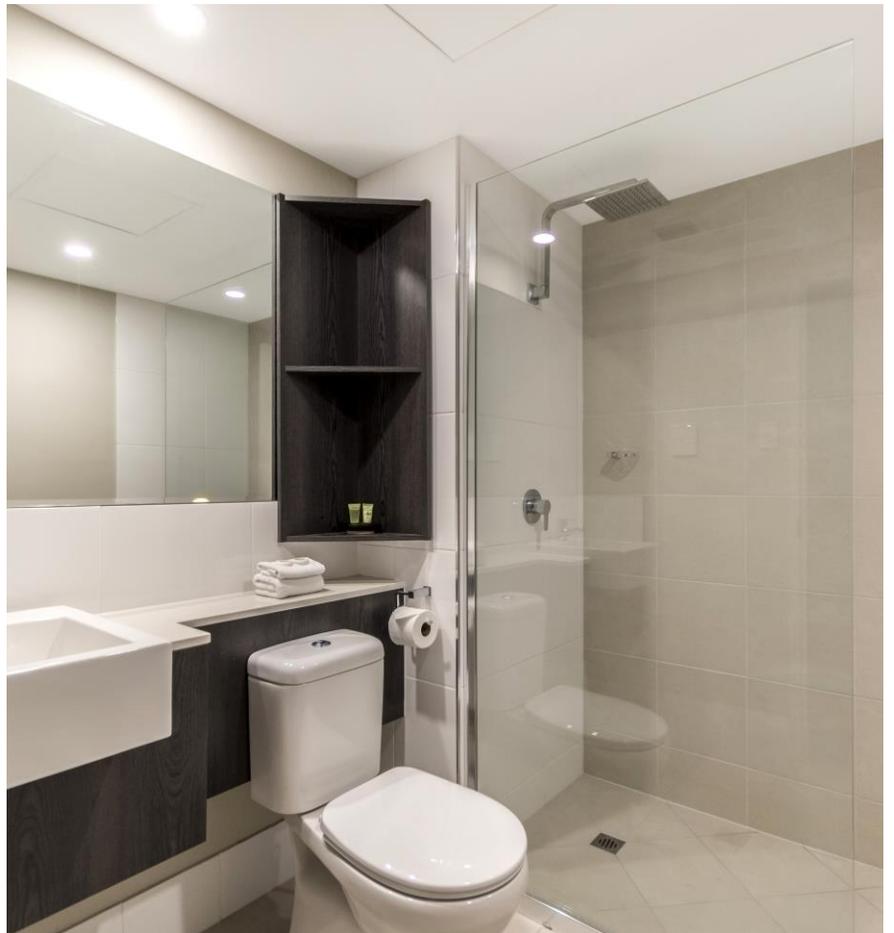
Guest Rooms

The Property's rooms are extremely well presented, providing modern and comfortable accommodation for guests. All rooms are self-contained offering a kitchenette, fridge, microwave, laundry facilities, television, WIFI, tea and coffee facilities.

The rooms are larger by comparison with other hotel accommodation offerings in Cairns with a breakdown of room type and size as follows:

Room Type	Number of Rooms	Approx. Size
Standard Queen Room	4	35 – 37 sqm
Superior Queen Room	17	27 – 32 sqm
Superior Queen Room with Balcony	15	37 – 40 sqm
Deluxe King or Twin Room with Balcony	12	35 - 40 sqm
Deluxe King or Twin Room	6	27 – 32 sqm
One Bedroom Studio	7	40 – 41 sqm
TOTAL	61	35.1 sqm (average)





Property Details

The Hotel offers a range of accommodation options across 61 rooms complimented by a resort style foyer with reception, managers office, two retail tenancies, pool & spa with a BBQ facility and laundry for guests.

The Property occupies a site of 1,532sqm of freehold land and offers views over the Cairns CBD, the Esplanade, ocean to the east and towards the hills from rooms fronting Sheridan Street. The Property provides 4-star accommodation with fully refurbished rooms that attract a mix of tourists and corporate guests and can also provide long stay accommodation in the extremely undersupplied Cairns market.

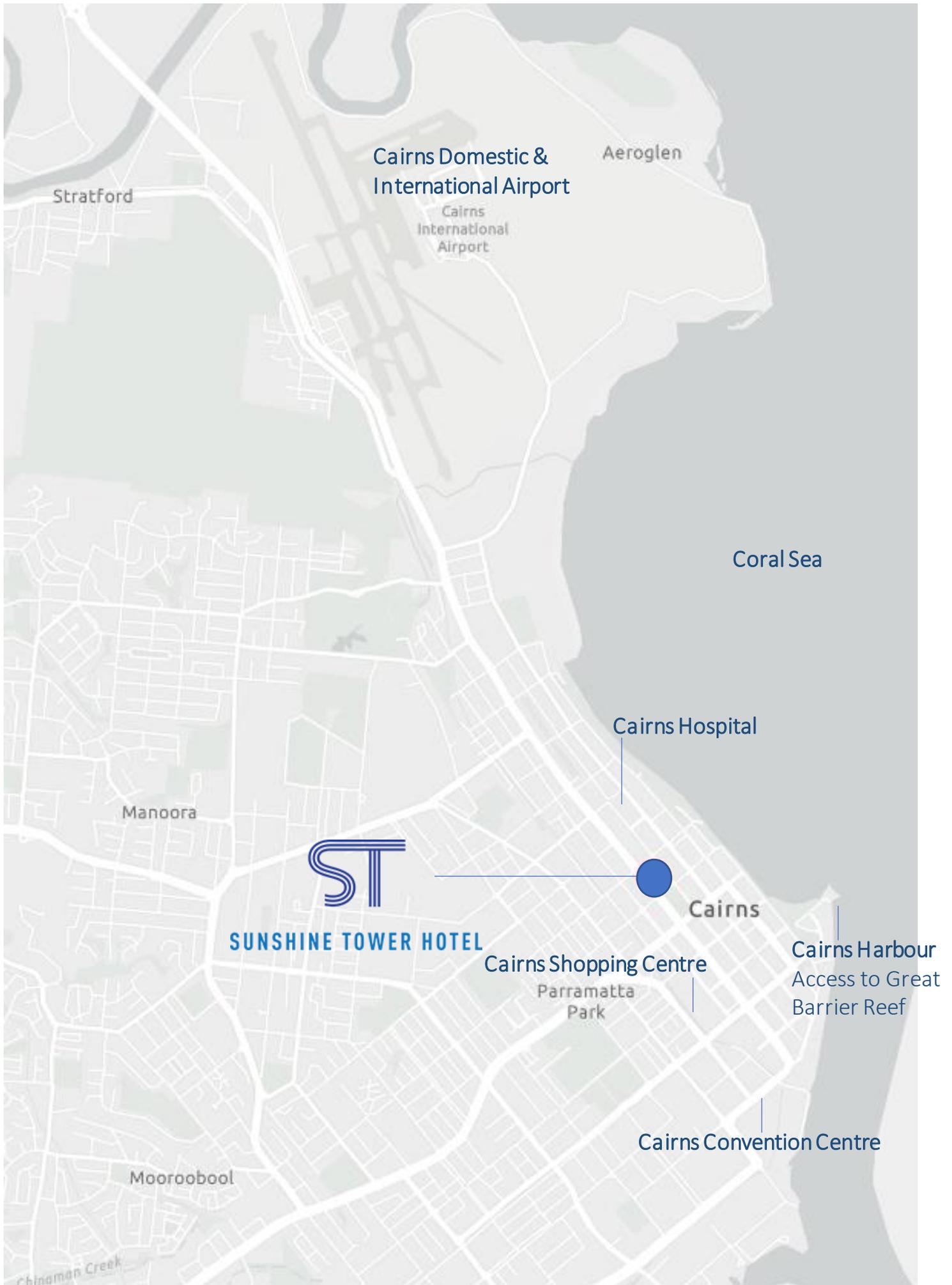
Initially constructed in 1990 the building was designed to operate as a hotel and was split into 63 lots which were sold individually. The current vendors purchased the Management Rights and multiple lots within the hotel several years ago and quickly identified the opportunity to amalgamate all the lots within the scheme which they did over time. By gaining control of the building they were able undertake a full renovation of the entire hotel. All rooms, common areas, services and the pool area have seen substantial works and upgrades over recent years, providing a high standard of accommodation.

The building offers guests a secure basement carparking providing 26 secure bays that are accessible from Sheridan Street via a dual lane driveway.

The ground floor incorporates a hotel grade lobby area to welcome guests to the Hotel in addition to two retail tenancies. The restaurant tenancy is occupied by The Dumpling Studio, 204 sqm, and the other tenancy occupied by a beautician trading as Beautylashious Cairns, 54 sqm. These tenancies produce a gross income of \$100,728 p.a.

Under the current configuration the building is held as a strata with a Body Corporate & Management Rights however the incoming purchaser may choose to “collapse” the scheme and convert into a single title. This would produce cost savings for the operator through reduced outgoings and rates etc. and obligations typical of a Body Corporate. This process is extremely simple for the incoming buyer once settlement of the lots has occurred.





Cairns Overview

The compact city is easy to navigate, with the Cairns International and Domestic Airports only 10 minutes from the CBD, Cairns is an ideal point for a Tropical North Queensland adventure. Whether you're an adrenaline junky and want to flirt with adventure or be enchanted by exotic experiences, Cairns has it all!

Residents and visitors to Cairns are lucky enough to have two of the world's greatest natural treasures on their doorstep in the Great Barrier Reef and the tropical rainforests - both of which are World Heritage listed. There are few places on Earth where two such treasures rest side by side.

Cairns is the fifth largest city in Queensland by population and has many nearby destinations that attract tourists and visitors including the Daintree and Kuranda Rainforests, Cape Tribulation, and the magnificent Great Barrier Reef.

Once the sun goes down Cairns really comes to life! Choose from 20+ bars in the CBD, indulge in the award-winning seafood restaurants, party on a dance floor the choice is yours this is only the tip of the iceberg for what Cairns has on offer. With the casino, esplanade and marina all offering world class dining and entertainment there is just so much on offer for residents & guests!

Cairns Hotel Market Overview

“Leverage off the pent -up demand when state & international borders reopen soon”



Source: Tourism Research Australia

Cairns visitor nights declined due to Covid-19 travel restrictions, but even with state borders being closed for most of 2020 and 2021, the Cairns hotel market still saw strong hotel activity.

Regional council data shows the following:

Year	International Visitor Nights	Domestic Visitor Nights	Domestic Daytrips
2018/19	5,047,194	5,134,452	1,424,611
2017/18	4,276,387	5,007,600	1,019,835

Source: Tourism Research Australia

The average stay in Cairns from the 2019/2020 period is 6.3 days for international visitors and 4 days for domestic. In 2019 pre covid the international top visiting markets (excluding China) were Japan (110,000 visitors with 526,000 room nights) and USA (95,000 visitors with 448,000 room nights).

Despite the impacts of covid-19 on the Cairns market the demand from a rising tourism industry is predicted to move occupancy rates upwards of 76% over the next three years (2021-2024). RevPAR is also predicted to grow at a rate of 8.3% per year in Cairns during the same timeline.

The hotel sector has been impacted globally by the events of 2020, however the medium to long-term outlook for markets with global appeal such as Cairns remain positive. Global icons such as the Great Barrier Reef along with the surrounding locations will ensure that Cairns will always be a highly sought after tourism destination.

Cairns Esplanade



Cairns Lagoon

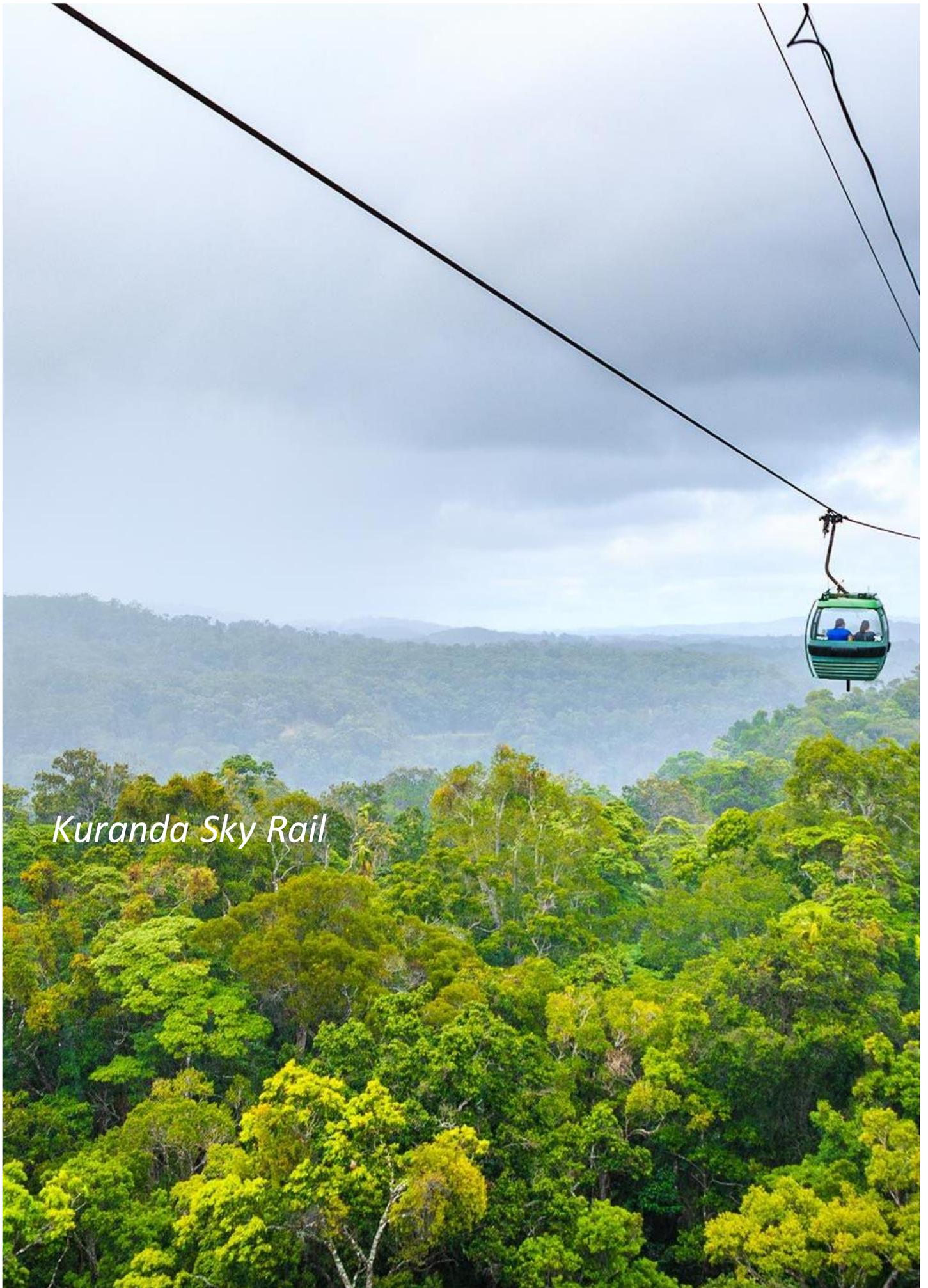


Financial Summary

The Hotel has proven to be extremely profitable generating strong income and cashflow, even during the highly COVID-19 impacted year of 2021. These results were achieved even with no inbound international travel and several months of interstate border closures during the period.

	2019	2021	2022	2023	2024	2025
ADR	\$108	\$118	\$126	\$132	\$136	\$140
Occupancy %	85%	83%	81%	82%	83%	84%
Total Revenue	\$2,064,954	\$2,200,080	\$2,272,366	\$2,416,556	\$2,522,513	\$2,618,364
EBITDA	\$1,116,213	\$1,157,625	\$1,172,118	\$1,291,346	\$1,368,383	\$1,435,431

Source: Owner



Kuranda Sky Rail

