

P R E S S R E L E A S E



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Strong Demand Expected for Sapphire Valley Caravan Park (Merimbula)

The Sapphire Valley Caravan Park in Merimbula, on the South Coast of New South Wales, is on the market.

The popular 6.32 hectare tourist park is licensed for 150 sites and offers a variety of accommodation types, from budget motel accommodation through to 4-star luxury cabins.

The recently upgraded guest facilities include; a games room, indoor swimming pool complex, children's play areas, kiosk, new amenities areas and a generous manager's residence.

The sales campaign is being handled by Andrew Jackson and Paul Nyholt of CBRE Hotels.

Mr Jackson believes the consistent cash flows will attract strong interest in this offering from both investors and owner occupiers, seeking solid returns.

"The popular park provides a high cash flow business with a turnover of around \$1 million, underpinned by strong repeat business, limited competition in the area and its reputation within the important Melbourne and Canberra leisure markets, providing consistent revenues on a steady growth curve" Mr Jackson said.

"The business is currently run under management so the opportunities for an incoming owner operator to drive revenues and minimise costs are there. There is also the opportunity to achieve further revenue growth by adding additional accommodation."

Mr Nyholt stated the park sector has held up well to the impacts of the economic downturn.

"We have been operating through challenging times over the last 18 months or so, however the park sector has shown enormous resilience – and in many instances such as this, has continued to achieve solid revenue growth," Mr Nyholt said.

"In these uncertain times we see less Australians holidaying overseas and more electing for more affordable domestic holiday options. This is supported by the huge jump in caravan sales and registrations, as well as recent reports from the Caravan and Camping Industry Association, who advise that parks have experienced a 10 per cent increase in occupancy across the board during the last summer holiday period."

Mr Nyholt said the park superbly positioned on the south coast at Merimbula and ideally located to cater to the leisure markets from Melbourne, the ACT and also Sydney."

Mr Jackson said the purchaser group for this asset was likely to be broad in the current market, with strong interest expected from traditional tourist operators and the investor market, as well as development groups.

"A few years ago institutional players dominated the demand for park assets. This increase in demand saw a sharpening of yields for quality and well located parks, however we expect that this asset will be more keenly sought by existing park owners and private investors," Mr Jackson said.

"The site also offers around 3 acres that is surplus to the park operation and could be utilized for expansion or future development of an alternate tourist-related use [subject to Council approval]. Developers will appreciate that landholdings of this scale offering a solid holding income do not present every day."

The park is offered for sale by expressions of interest, closing 31st March, 2010.

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