Management Rights Report 2022

RESORTBROKERS®

Contents

A Message From Our Directors

Established in 1985, ResortBrokers was the first commercial agency in Australia to specialise in the sale of accommodation assets. Nearly four decades later, with more than 30 brokers on the ground and an increasingly dominant share of market transactions, ResortBrokers has grown to become the largest and most successful agency in our field. With licensed brokers active in every Australian state and territory, we are also the only truly national firm working in the accommodation sector.

ResortBrokers' activity and expertise covers a range of asset classes including hotels, motels, caravan parks, resorts, serviced apartments and Management Rights (MR). Although a long-standing cornerstone of our business, the past decade has delivered particular growth for ResortBrokers within the MR sector. Today, MR sales constitute roughly half of ResortBrokers' annual sales volume and we handle more MR transactions than all of our competitors combined. We also dominate the large-scale corporate end of the market, including extensive off-the-plan work with developers.

Another clear trend at ResortBrokers over the past decade has been an increasing focus on data collection. From what began as the largest database in the accommodation sector, ResortBrokers has steadily built on this by developing internal systems to track and record detailed information on markets, individual properties, operators, buyers and transactions. More recently, we launched a dedicated analytic department (ResortBrokers Research), to provide business intelligence services and produce data and economic commentary for reports.

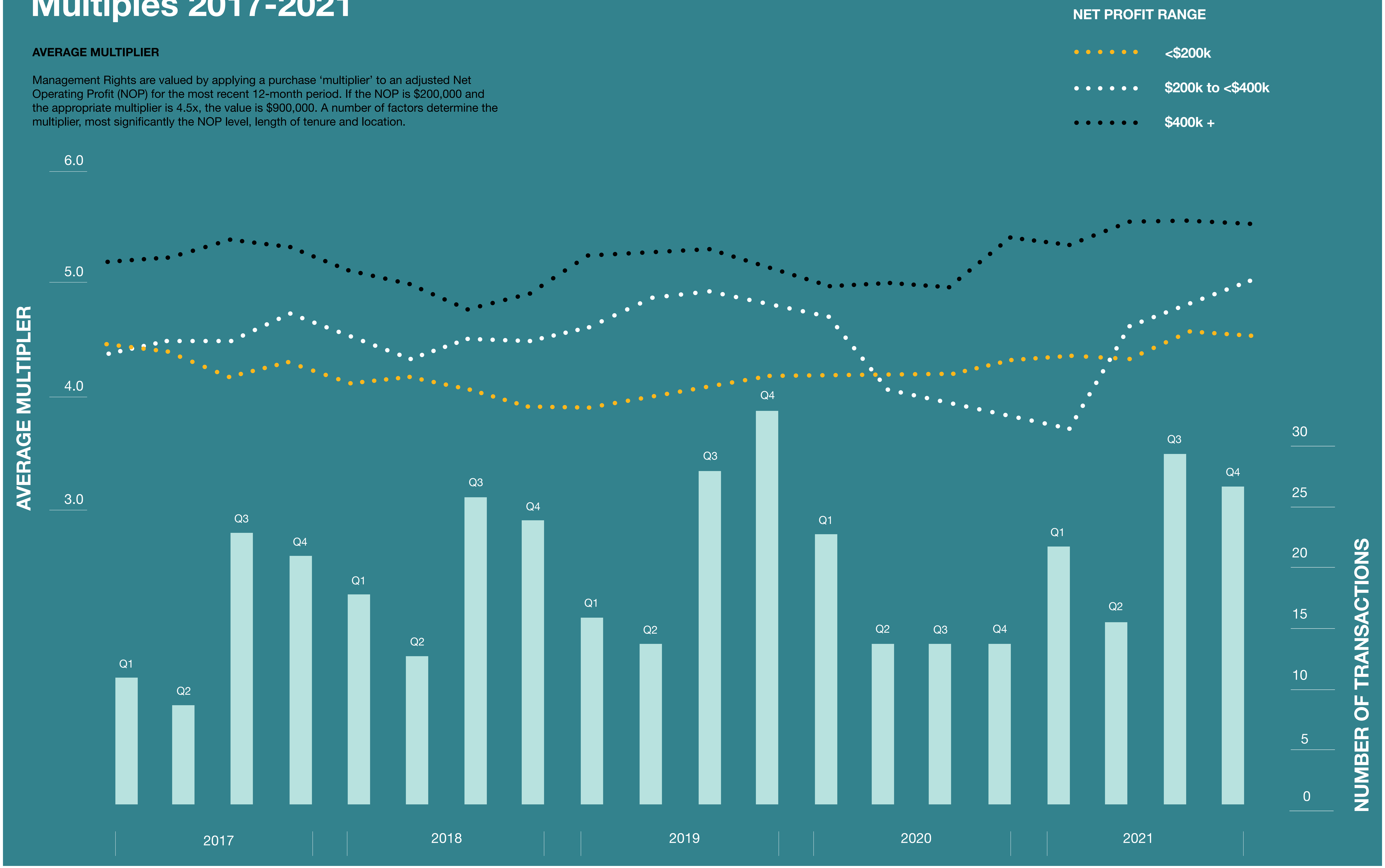
ResortBrokers is now in a unique to position to release the Management Rights Industry Report 2022. To our knowledge, this is the first time a comprehensive analysis of the sector has been attempted. We have sought to provide an overview of the industry as a whole, as well as more specific analysis on trends, sub-sectors and locations. As this is the first time our MR data has been collated and analysed, we have opted to initially focus on a wider five-year period (2017 – 2021), rather than the specifics of the past 12 – 24 months. We believe this constitutes a useful initial 'contextual' industry report, and a solid base for future annual reports.

We hope you enjoy reading the report as much as we enjoyed collating it. We certainly learned a lot along the way and drew some interesting conclusions we hadn't foreseen. If the report sparks any thoughts, and you'd like to discuss with us, please feel free to get in contact.

Management Rights Multiples 2017-2021

AVERAGE MULTIPLIER

Management Rights are valued by applying a purchase ‘multiplier’ to an adjusted Net Operating Profit (NOP) for the most recent 12-month period. If the NOP is $200,000 and the appropriate multiplier is 4.5x, the value is $900,000. A number of factors determine the multiplier, most significantly the NOP level, length of tenure and location.



The Management Rights Industry

Over the past five years ResortBrokers has transacted over $546 million in Management Rights sales

ResortBrokers® Research

Management Rights is essentially a business model that provides for the long-term operation of Strata Titled complexes, where residential lots are owned by multiple owners with both similar and sometimes contrasting interests (i.e. investors, owner occupiers etc).

The Management Rights' industry has grown hand-in-hand with the development of Strata Titled properties that began to flourish from the 1960s, particularly on the Gold Coast. Today, the model is used to manage nearly 4,000 schemes comprising over 250,000 lots.

Management Rights generally consist of two principal components: a caretaking agreement and a letting agreement. Management Rights also often come with associated real estate, such as a manager's apartment, reception desk, office, linen room etc.

A caretaking agreement provides a fixed salary (usually CPI linked) for conducting the day-to-day duties of looking after a complex (cleaning, gardening etc). A letting agreement provides exclusive onsite letting rights, meaning the owner is the only entity that can run a letting business from within the complex. Agreements are either on an 'Accommodation Module' (25-year term, intended for investor focused complexes), or on a 'Standard Module' (10-year term, intended for owner-occupier focused complexes).

The model has proven to be a very efficient means of managing Strata buildings, offering mutually beneficial outcomes to all stakeholders. The owner / operator can invest in a stable business with long-term security. Unit owners typically receive superior service and returns, as the operator has a vested interest in the complex and relies on owner support to maintain the value of their investment.

Although Management Rights is most prevalent in Queensland, the model exists in most other states and territories under varying legislation. The industry is a significant contributor to the Australian economy, both from an employment and revenue generation perspective.

Management Rights operates both Strata complexes with a permanent residential and those with a short-stay focus (as well as mixed use). As such, the industry is a key cornerstone to both Australia's tourism sector, offering thousands of professionally managed serviced apartments to the market, as well as to its real estate sector.

Industry Snapshot

$4.8b
Estimated Total Value
Management Rights Industry

3,679
Number of Schemes
Nationally

250,652
Number of Lots
Under Management Rights Model

68
Average Lots Per Scheme

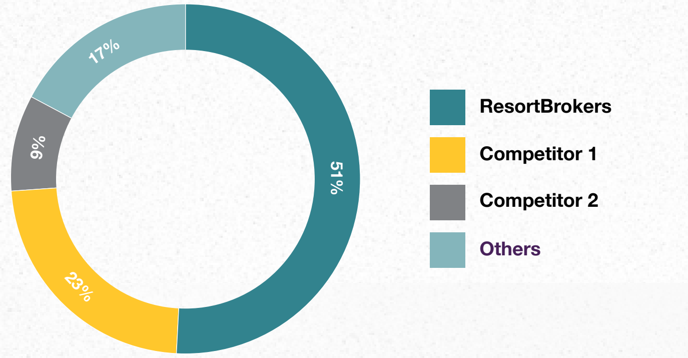
33,000
Number of People Employed

$120b
Assets Under Management

Five Year Sales - Transactions

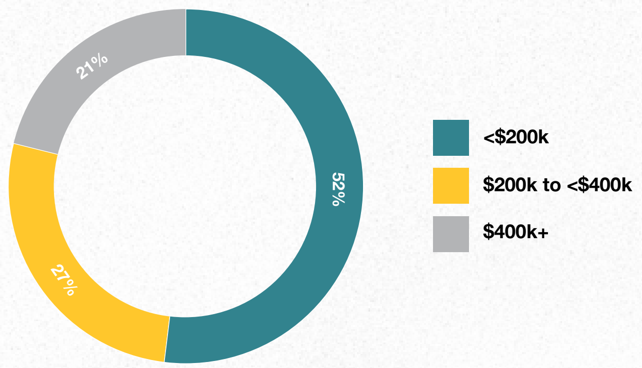
376
Number of ResortBrokers Sales
Over The Last Five Years

Management Rights Sales Market Share*

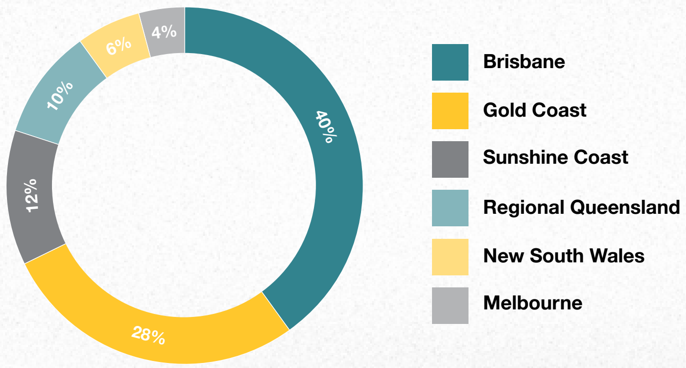


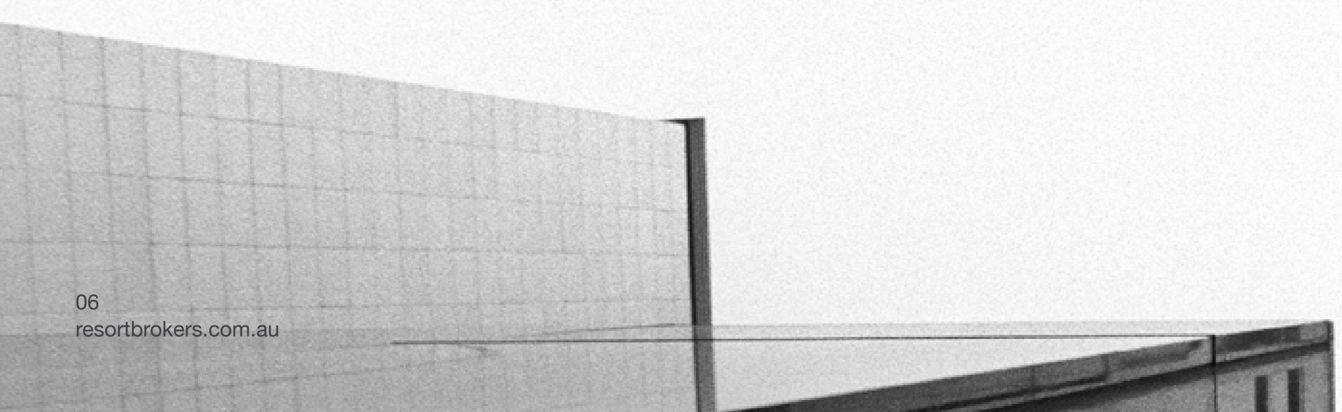
*Source: Resort News Magazine

Five Year Sales - Split by Net Profits



Five Year Sales - Split by Region





ResortBrokers®
Research

Key Trends Over The Past Five Years

Multipliers

Purchase multipliers (like cap rates, but inverted) have undoubtedly increased significantly during the period, particularly for medium-to-high netting MR assets. Increases vary between sub-sectors, but we've seen 0.5x – 1x+ increases across the board. five years ago, 6x+ was a rarity. Now it is normal for MR assets netting over $500,000.

Average of all multipliers above $400,000 net

2017	2021
5.3x	5.6x

Onsite requirements

Going back 10 years, it was almost a given that an MR would have been sold with a manager's apartment and a requirement to reside on site. In recent times, spurred by the advancements of technology and the reduced need for face-to-face interaction, many developers have opted to establish MRs as 'business only' assets. They are very much in demand as ROIs are higher and they work well as portfolio add-ons.

Business only % of total sales & average multiplier

2017	2021
13%	16%
4.8x	5.4x

Transaction timing

There is no question that transactions are taking considerably longer than previously. Gone are the days where a contract could be unconditional within 28 days of signing. Due to the increased amount of market activity, there are often delays in receiving accountants', lawyers' and valuers' reports. Post Banking, Superannuation and Financial Services Industry Royal Commission into misconduct, finance approval also takes longer. And for reasons mentioned above, the BC assignment process can often be more rigorous and time-consuming than it used to be.

Average days from sale to settlement

2017	2021
127	167

Pandemic

Two years on from the pandemic outbreak, we can't complete this section without highlighting the ongoing effects of COVID-19. In essence, permanent residential MRs have had almost no impact from the pandemic. As such, they are more popular than ever, and transactions have continued as normal. Short-stay (holiday and corporate) MRs have certainly been impacted, although in a very regionally specific manner. Where the Sunshine Coast recovered as soon the nationwide lock-down ended, the Gold Coast needed the domestic borders to open before it returned to normal trading conditions. As Management Rights require 12 months actual figures to facilitate a sale, markets such as the Gold Coast will remain fairly locked until late 2022, whereas markets such as the Sunshine Coast have seen numerous transactions since the pandemic outbreak.

Off-the-plan

Off-the-plan opportunities have always been popular to a degree, but over the past five years they have developed into the most sought-after MR type. This is due to the scope for capital growth and the ability to grow a business from the ground up. With an increasing pool of highly experienced and able managers, developers can now benefit from multiple offers and ever-increasing multipliers.

Buyer Profiles

One of the reasons for the increase in multipliers has been increasing demand from a broadening range of other sectors. Well-known corporate brands, high net-worth private operators, syndicates and private equity, all compete for the biggest and best MRs. International investors (particularly Chinese) have been attracted to the sector and hold an ever increasing share of the market.

Lending / Finance

The attitude of the banking sector towards the Management Rights industry is an important trend to mention, not because it has changed, but because it has remained much the same. Due to the inherent and proven stability of Management Rights businesses, the industry has been very well supported by the banks for many years. LVR's of 60% - 70% are readily available for qualified buyers looking to buy good assets. Combined with low interest rates, this has facilitated strong ROI's for investors into the Management Rights sector.

Current Market Dynamics

A post-COVID economy presents an array of challenges which are broad in nature and impact. Inflation has surged while wages' growth has picked up from recent levels but still lags well behind inflation, leaving many households with smaller real disposable incomes than previously. Record low unemployment is generally seen as positive, however a structural mismatch in the skillsets of the available labour force is becoming increasingly evident. Immigration patterns are yet to return to pre-COVID levels, but a normalisation here may bring some relief to employers struggling to find suitable staff. Residential vacancy rates are trending at all-time lows in many major capital markets, with limited development pipeline to increase supply creating opportunity for strong rental components in MR businesses.

Management Rights Sectors

The Management Rights' industry is comprised of a number of contrasting sub-sectors. This section highlights these sectors, and draws some comparisons between them.

Business Type Comparison - Five Year Sales Data

Short Term / Mixed Vs Permanent

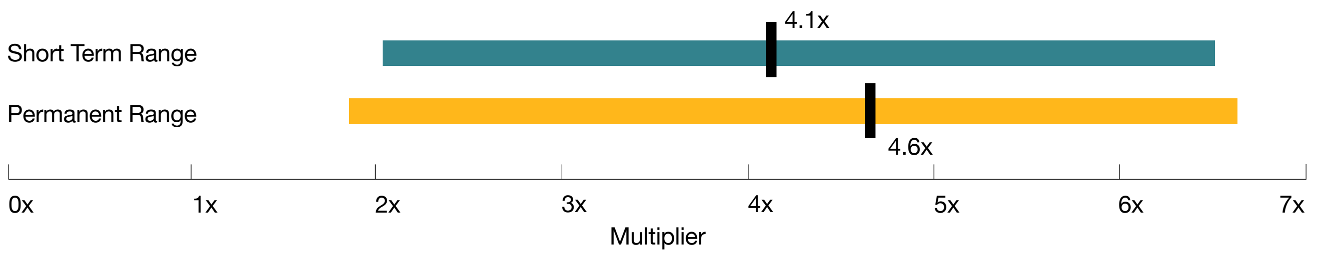
PERMANENT: This refers to residential complexes where tenants rent for a minimum of six months and owner occupiers live indefinitely.

SHORT-TERM: This refers to complexes where holiday and/or corporate guests stay in serviced apartment / hotel style accommodation for short durations, typically from one day to three months.

NB. many complexes operate a mix of both types.

	Short Term	Permanent
Average business price	$1,935,368	$1,188,063
Average business net	$411,476	$232,197

Multiplier Range and Average



Short Term / Mixed Total Sales 36% | **Permanent Total Sales 74%**

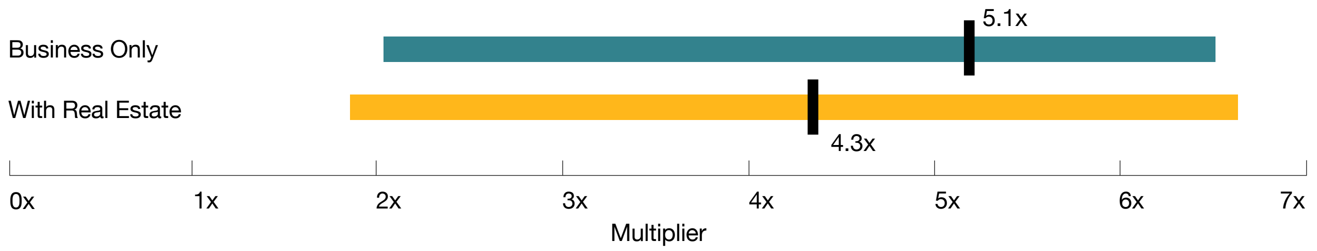
Business Only Vs With Real Estate

BUSINESS ONLY: This refers to MR businesses where there is no manager's residence and generally no requirement to live on-site.

WITH REAL ESTATE: This refers to a MR business which is linked to a manager's residence, generally with a requirement to live on-site.

	Business	W. Real Estate
Average business price	$1,230,078	$1,495,282
Average business net	$235,290	$304,300

Multiplier Range and Average



BO 14% | **With Real Estate Total Sales 86%**

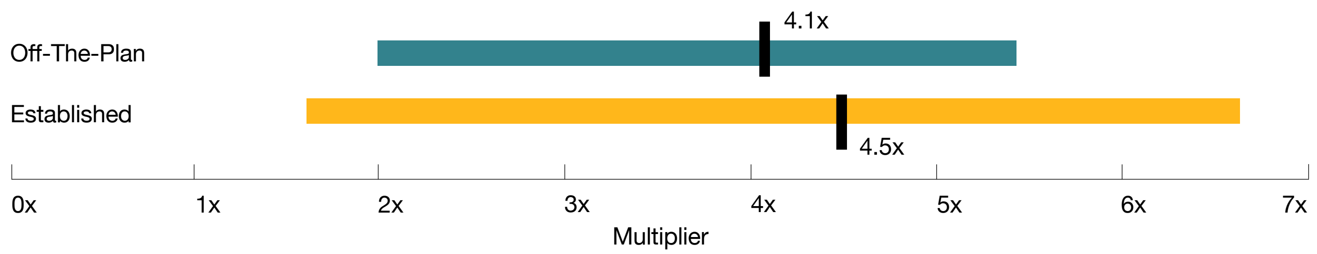
Off-The-Plan Vs Established

OFF-THE-PLAN: this refers to MR businesses that are being sold by the developer of a complex prior to its completion. They are typically sold on projected net profit or 'per key' rates.

ESTABLISHED: this refers to businesses that are 'up and running' going concern businesses. They are generally sold with a multiplier applied to the past 12 months NOP.

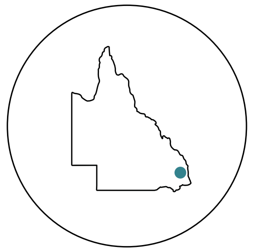
	Off-The-Plan	Established
Average business price	$2,310,111	$1,307,347
Average business net	$486,613	$263,593

Multiplier Range and Average



OTP 15% | **Established Total Sales 85%**

Brisbane Market Overview



Market Snapshot

Average days to sell (mths)	**188 (6.2)**
Total % of ResortBrokers sales (5 yrs)	**36%**
Total MR schemes in Brisbane	**1,503**
Total lots in MR schemes in Brisbane	**110,380**
Average scheme size in Brisbane	**73**

The Brisbane Management Rights market has, generally speaking, been very strong throughout the period covered by this report, and for some time prior to it. As a result, multipliers and therefore values have continued to grow.

The permanent Management Rights sector has been particularly strong. It has experienced growing demand from a broadening pool of buyers (in particular from the Chinese community), as well as an increased corporatisation at the top-end of the market.

The permanent sector has also proven to be largely bullet proof from the impacts of the COVID-19, making it an increasingly safe and popular investment class. In contrast, Brisbane's short-stay sector has been dramatically impacted by the pandemic.

As the short-stay sector (particularly prevalent in the CBD) is reliant upon international, corporate and event markets (all of which are yet to return anywhere near to pre-COVID levels), a full recovery is expected to take some time.

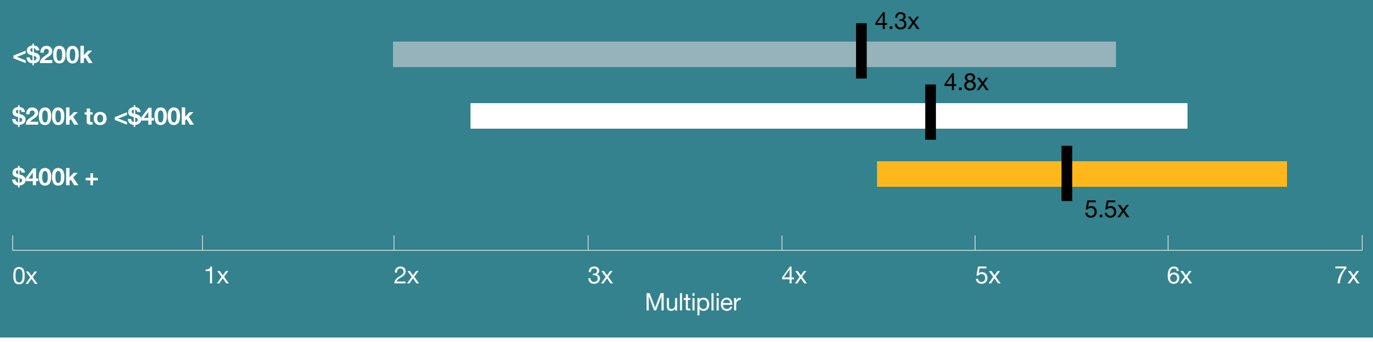
Conversely, much improved trading conditions since the opening of the domestic borders, combined with growing confidence and the beacon of the 2032 Olympic Games on the horizon, may see short-term sales return to normal sooner than expected.

Case Study #1

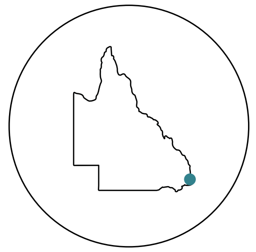
Central Village
Bowen Hills, QLD

One of the largest permanent MR transactions on record (520 apartments, 460 letting pool), this central Brisbane operation transacted at a then record multiplier of 6.6x. Based on a stabilised NOP of $1,481,031, this equated to a sale price of $9,760,000. Setting a new benchmark for large, permanent MR's in SE QLD, quality businesses of scale now regularly selling well over 6x.

Average Multipliers - Based On Net Profit Ranges



Gold Coast Market Overview



Market Snapshot

Average days to sell (mths)	**178 (5.8)**
Total % of ResortBrokers sales (5 yrs)	**28%**
Total MR schemes in Gold Coast	**936**
Total lots in MR schemes in Gold Coast	**65,331**
Average scheme size in Gold Coast	**70**

Prior to the pandemic, the Gold Coast had been experiencing very strong market conditions, both in the permanent and short-stay sector. This had come off the back of a relatively slow recovery from the GFC in the early 2010s.

With regards to the short-stay sector, there have been considerable variances between suburbs. The southern end of the GC (Kirra, Burleigh etc) has performed strongly due to increasing drive traffic from Brisbane. Transactions in these locations have continued, although to a partly reduced extent.

More traditional Gold Coast tourism hotspots, such as Broadbeach and Surfers Paradise, are much more reliant on interstate and international guests. As such, pandemic conditions have affected them more severely and has frozen the transactional market to an extent.

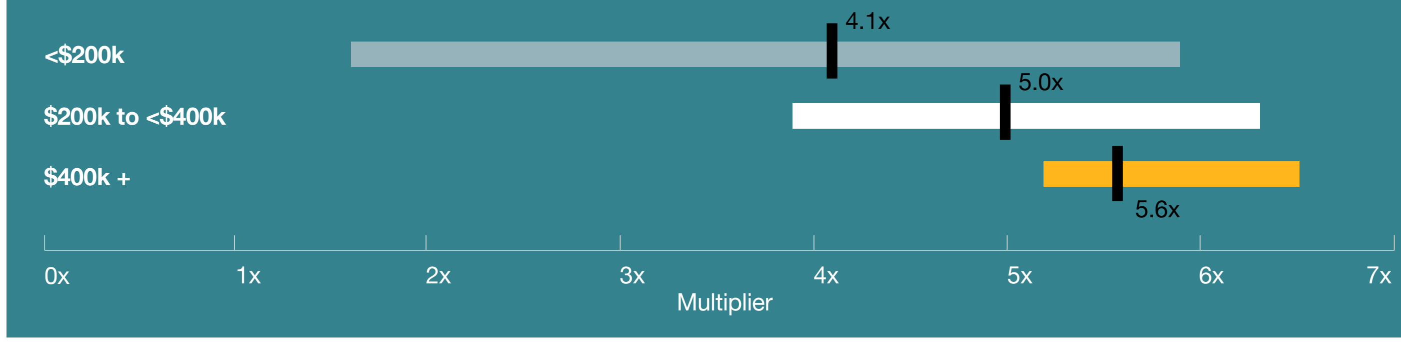
Having said that, the opening of Australian borders in February 2022 has seen trading return strongly (in some case ADRs and occupancies surpassing pre-COVID levels). Fuelled by this, and expanding domestic and international tourism markets, a full transactional recovery is expected by the end of 2022.

Case Study #2

Signature
Broadbeach, QLD

This off-the-plan transaction was handled on behalf of Melbourne based developer Little Group. The MR to this high-end, 252 apartment, 35 level high-rise was picked up South African owned Ultiqa Hotels & Resorts. The acquisition added a prize property to an existing portfolio of three properties in the suburb. Based on a staggered 'per key' rate starting at $80k and falling to $50k, the sale is expected to exceed $9m when the property opens in September 2022.

Average Multipliers - Based On Net Profit Ranges



Sunshine Coast
Market Overview

Market Snapshot

Average days to sell (mths)	158 (5.2)
Total % of ResortBrokers sales (5 yrs)	11%
Total MR schemes in Sunshine Coast	475
Total lots in MR schemes in Sunshine Coast	24,085
Average scheme size in Sunshine Coast	51

Unlike most regions, the Sunshine Coast Management Rights' industry is dominated by the short-stay sector. Although permanent businesses exist, they constitute less than 30 per cent of the total number of schemes. The restricted supply typically translates to high market demand.

During the period (2017-2021), the short-stay sector has strengthened steadily in line with the region's improving tourism market, with ADRs and occupancies growing year-on-year since emergence from the post-GFC conditions.

Of interest, the region's short-stay sector experienced very limited impact from the COVID-19 outbreak. The sector was able to continue to perform well even with domestic borders closed. This is attributed to popularity from drive markets such as Brisbane and a relatively low room count across the region (exacerbated by tight development restrictions).

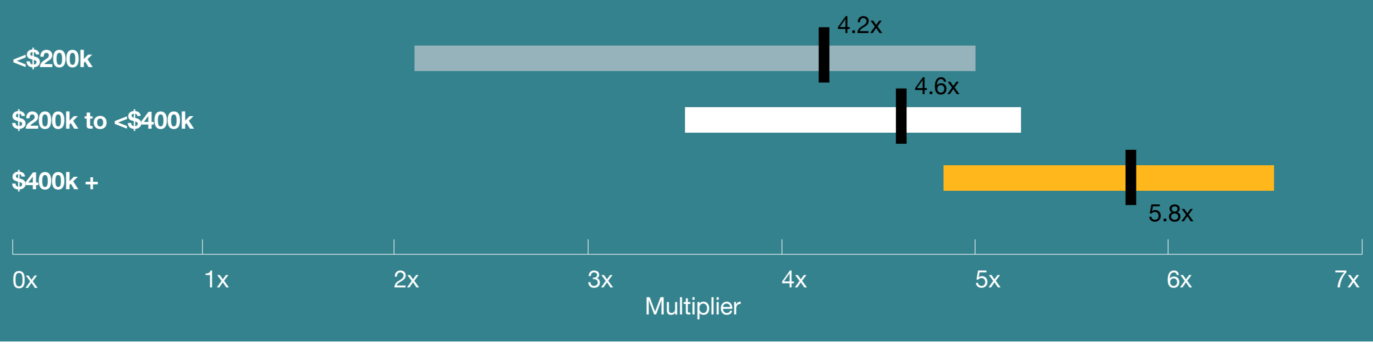
As such, the transactional Management Rights' market, both permanent and short-stay, has been strong throughout the period. An anomaly is the impact of drastically increasing real estate prices. In the case where businesses have attached real estate, sometimes multipliers have been reduced to counteract the impact on ROI of high real estate value.

Case Study #3

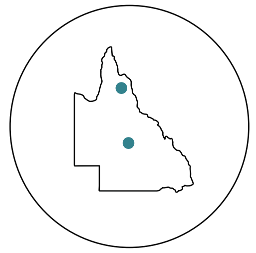
Tingirana
Noosa, QLD

This iconic, absolute beachfront property on Hastings St, Noosa was sold in the middle of 2020 shortly after the end of the national lockdown. The 18-apartment (36 key) resort was able to maintain pre-COVID performance from a solely local and intrastate market. Posting an annual NOP in excess of $1m, the MR asset achieved a 6.2x multiplier and sold for $6,442,000 (inclusive of a $180k freehold office). The transaction was followed a few months later by its neighbour (On the Beach) – same seller, same buyer.

Average Multipliers - Based On Net Profit Ranges



Regional Queensland
Market Overview



Market Snapshot

Average days to sell (mths)	174 (5.7)
Total % of ResortBrokers sales (5 yrs)	10%
Total MR schemes in Regional Qld	311
Total lots in MR schemes in Regional Qld	17,006
Average scheme size in Regional Qld	55

The regional QLD MR market, essentially covering all locations outside of SE QLD, is made up predominantly of short-stay businesses, although there are a small number of permanents.

As the market is smaller and there is generally less buyer demand, multipliers tend to be lower and assets tend to take longer to sell. Combined with cheaper real estate components, overall ROI can therefore be significantly superior with regional QLD MR assets. As such, particularly at the large-scale end of the industry, the market has been relatively strong throughout the period with a number of significant transactions from large-scale operators and investors, seeking the superior returns on offer in regional locations.

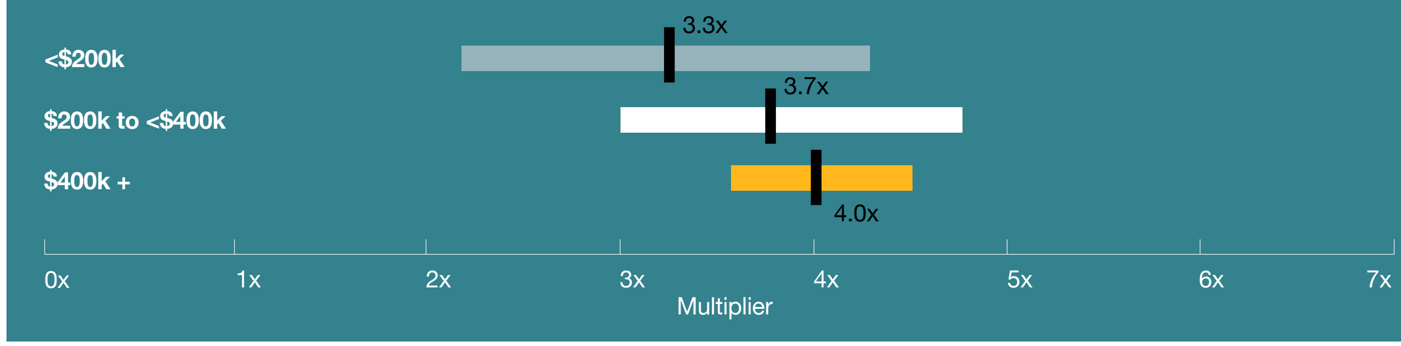
The impact of COVID-19 has been extremely varied throughout the region. Some hubs reliant on the drive-market (Yeppoon) and corporate trade (Rockhampton) have fared very well. Others reliant on domestic and international tourism have been heavily affected. This has had a direct impact on transaction levels.

Case Study #4

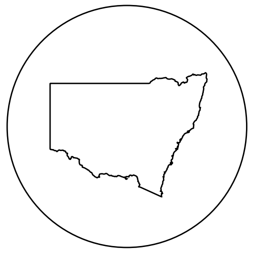
Yeppoon Portfolio
Yeppoon, QLD

This portfolio of three properties was one of the first regional, short-stay MR transactions to settle post peak pandemic. Comprising a total of 116 apartments with 81 keys in the letting pool, the operation had an NOP of $940k and was sold at a 5.32X multiplier. The transaction included two manager's apartments and totalled $6,232,000 (representing 15% ROI). Strong and consistent trading in the region throughout the pandemic environment of 2020-21 stoked market interest.

Average Multipliers - Based On Net Profit Ranges



NSW Market Overview



Market Snapshot

Average days to sell (mths)	**177 (5.8)**
Total % of ResortBrokers sales (5 yrs)	**6%**
Total MR schemes in NSW	**251**
Total lots in MR schemes in NSW	**16,482**
Average scheme size in NSW	**66**

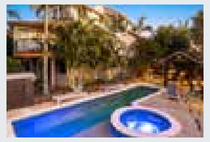
Management Rights in NSW is largely made up of complexes older than the legislatives change of the early 2000s. These prevented developers from establishing MR businesses without consent from owners at the first AGM.

However, there are numerous successful MR businesses in NSW, many of which have weathered COVID conditions extremely well. Locations such as Byron Bay, Cabarita, Port Macquarie and Coffs Harbour have performed strongly due to strong local and intra-state tourism market. As such, transactions have remained strong and consistent.

On the Off-The-Plan side, ResortBrokers has helped developers successfully overcome legislative challenges in developments that have a majority investor profile. OneA at Erskineville and Ashfield Central, both built by Abacus Property Group, are two prime examples.

Overall, despite recent challenges, the Management Rights' industry remains strong and multipliers are stable. ResortBrokers, along with peak body ARAMA, works hard to grow the sector in NSW. It's a dual agenda of protecting numerous existing businesses, while helping developers to establish new ones.

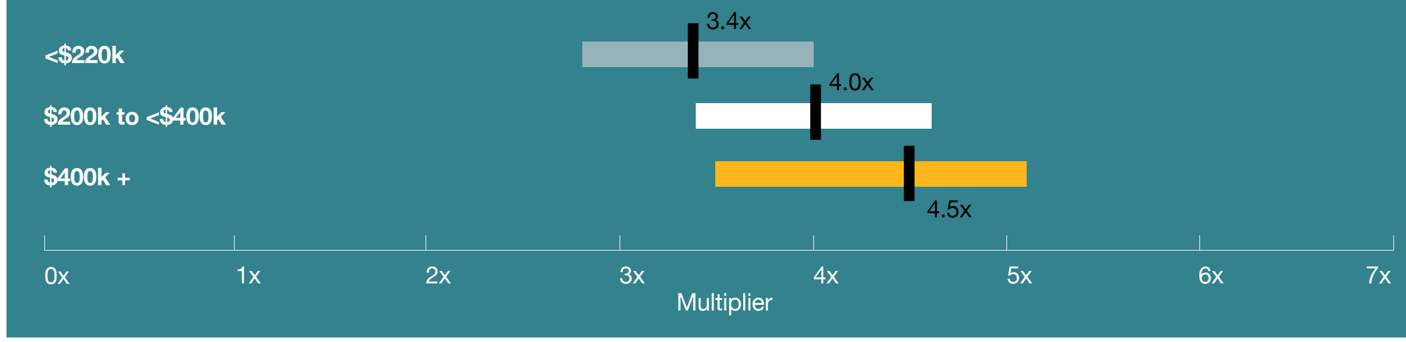
Case Study #5



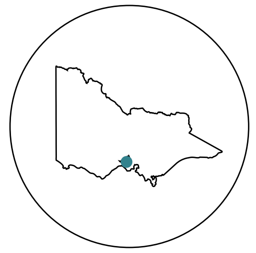
Gossamara
Byron Bay, NSW

This stunning boutique holiday complex in Bryon Bay was initially listed just prior to the COVID outbreak. After a short break from the market, it was perhaps the first short-stay business to transact after the national lockdown, driven by Byron's strong and immediate recovery. Consisting of only seven dual key apartments (opening to 14 keys), the business generated a $250k+ NOP, sold at a 4.45X multiplier and sold with a $900k manager's apartment.

Average Multipliers - Based On Net Profit Ranges



Melbourne Market Overview



Market Snapshot

Average days to sell (mths)	**236 (7.7)**
Total % of ResortBrokers sales (5 yrs)	**4%**
Total MR schemes in Melbourne	**86**
Total lots in MR schemes in Melbourne	**9,925**
Average scheme size in Melbourne	**115**

The Management Rights' market in Victoria, mostly centred around Melbourne, is the smallest of those reviewed in this report. Partly due to lack of legislation and partly due to lack of awareness surrounding the model, there are currently only 86 Management Rights' schemes.

ResortBrokers off-the-plan agents Alex Cook and Tim Crooks devoted considerable time from 2016 to 2019 meeting with developers to explain the benefits of the model, and make them aware that the establishment of MR in Victoria was viable and possible.

This led to some a number of large-scale, landmark transactions such as Australia 108 and AVANT for World Class Land, and Collins House and Sky One for Golden Age. The landscape changed somewhat in 2019 with the proposed Vic OC Bill.

The OC Bill contained a section that sought to restrict developers from establishing initial agreements any longer than three years. This lack of tenure would have effectively strangled the growth of the MR industry.

Case Study #6

Avant
Melbourne CBD, VIC

Developed by renowned Singaporean group World Class Land, Avant opened its doors in early 2019, adding 456 apartments and 55 levels to the central Melbourne skyline. In a transaction finalised shortly before the building's completion, the Management Rights were acquired by Minor Group, owners of the 'Oaks' brand. The business operation was placed under their upscale 'AVANI', the first in Melbourne. The transaction was based on a key rate of $20k, as well as the purchase of a $1m street frontage commercial space.

Per Key Rate

Short Term/Mixed		Permanent	
Min	Max	Min	Max
$5,000	**$7,500**	**$12,000**	**$35,000**

Transaction Highlights

ResortBrokers® Research

Kirra Beach Apartments
Coolangatta, QLD

Number of Units	51
Net Profit	$350,000
Multiple	5.4x

Australia 108
Melbourne, VIC

Number of Units	1103
Perm Key Rate	$7,000
Short Term Key Rate	$35,000

Pacific Beach
Mooloolaba, QLD

Number of Units	31
Net Profit	$525,000
Multiple	5.83x

Yungaba
Kangaroo Point, QLD

Number of Units	167
Net Profit	$433,000
Multiple	5.9x

Gallery House
Hamilton, QLD

Number of Units	315
Net Profit	$730,000
Multiple	5.2x

Collins House
Melbourne, VIC

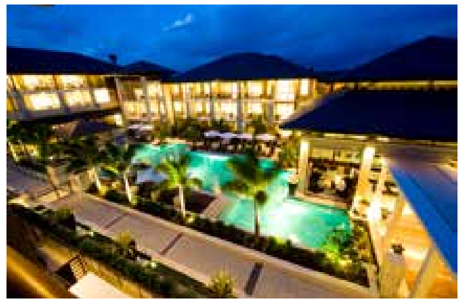
Number of Units	259
Perm Key Rate	$7,000
Short Term Key Rate	$25,000

Paragon
Melbourne, VIC

Number of Units	227
Perm Key Rate	$5,000
Short Term Key Rate	$20,000

Noosa Crest
Noosa Heads, QLD

Number of Units	72
Net Profit	$188,112
Multiple	4.19x



Santai
Casuarina, NSW

Number of Units	114
Net Profit	$607,465
Multiple	4.65x

FV by Peppers
Fortitude Valley, QLD

Number of Units	710
Proj. Net Profit	$1,833,000
Multiple	5.2x

Peninsula Boutique Hotel
Port Douglas, QLD

Number of Units	34
Net Profit (F&B)	$1,190,000
Multiple	3.57x

The Beach Apartments - Avani
Broadbeach, QLD

Number of Units	219
Proj. Net Profit	$2,399,375
Short Term Key Rate	$70,000

Magnoli
Palm Beach, QLD

Number of Units	210
Net Profit	$310,353
Multiple	5.7x

Milieu
Middlemount, Regional QLD

Number of Units	73
Net Profit	$160,955
Multiple	1.62x

Parkside Nundah
Brisbane, QLD

Number of Units	100
Net Profit	$330,583
Multiple	5.85x

Vue & Encore
Broadbeach, Qld

Number of Units	155
Perm Key Rate	$10,000
Short Term Key Rate	$40,000

Central Park Apartments
Varsity Lakes, QLD

Number of Units	92
Net Profit	$274,250
Multiple	5.71x

Oaks Cable Beach Resort
Cable Beach, WA

Number of Units	174
Net Profit	$560,000
Multiple	3.5x

Transaction Highlights

ResortBrokers® Research

DevCorp Portfolio
Brisbane, QLD

Number of Units	**251**
Net Profit	**$466,000**
Multiple	**6.4x**

On The Beach
Noosa Heads, QLD

Number of Units	**21**
Proj. Net Profit	**$1,200,000**
Multiple	**6.3x**

Savoir Faire
Brisbane, QLD

Number of Units	**130**
Net Profit	**$376,000**
Multiple	**6.03x**

Oaks Resort & Spa Hervey Bay
Hervey Bay, QLD

Number of Units	**128**
Net Profit	**$1,100,000**
Multiple	**5.0x**

Peninsular
Airlie Beach,Regional QLD

Number of Units	**42**
Net Profit	**$357,000**
Multiple	**4.2x**

Solarus Apartments
North Queensland, QLD

Number of Units	**73**
Net Profit	**$220,329**
Multiple	**3.7x**

Lennox Beach Resort
Lennox Heads, NSW

Number of Units	**42**
Net Profit	**$410,000**
Multiple	**4.87x**

Evoke & Motif
Brisbane, QLD

Number of Units	**126**
Net Profit	**$458,000**
Multiple	**5.33x**

Atrium
Sippy Downs, QLD

Number of Units	**305**
Net Profit	**$707,000**
Multiple	**6.1x**

The Outlook

The short-to-medium term outlook for the Management Rights' industry looks bright, with increasing demand from a broadening spectrum of buyers and continuing favourable lending conditions from a supportive banking sector.

Generally speaking, ResortBrokers anticipates the short-to-medium term outlook for the Management Rights' market to be extremely positive. Certain sectors are expected to maintain current strength and consistency, and others to show a general recovery from the pandemic conditions of recent years.

PERMANENT MANAGEMENT RIGHTS

This sector has been consistently strong across the board, bolstered by an almost complete resilience to any pandemic impacts. At the top end of the market, demand will continue to grow due to increased corporatisation from syndication and private equity. The small-to-medium market is expected to be driven by broadening purchaser classes, such as international and interstate buyers.

As multipliers have increased to record levels, there is a possibility that recent and further anticipated interest rate hikes may marginalise MR's to the extent multipliers begin to plateau. On the flip side, continued shortage of supply and growing demand suggests that there may be room yet for future growth.

SHORT-STAY MR

With many holiday / corporate locations now back to pre-COVID trading conditions, this sector will strengthen throughout. Certain markets (i.e. Gold Coast) are still in the early stages of recovery since the opening of domestic borders in December '21. ResortBrokers anticipates that many operators will look to reap the rewards of booming domestic tourism, then look to sell off the back of this. It is anticipated a large number of short-stay MRs will come to market in the next 12 – 24 months. Although there is plenty of pent-up demand, time will tell whether it will absorb the supply.

OFF-THE-PLAN

ResortBrokers predicts this sector to be strong over the next few years, driven largely by an evolving development cycle in a number of key locations, and particularly with regards to a number of upcoming large-scale landmark projects. ResortBrokers is currently working with several developers in a various locations, and has a large pipeline of off-the-plan Management Rights coming to market, anywhere from 50 lots up to 500+. This will obviously grow the industry in general, and add to a buoyant transactional market.

THREATS

Circumstances which may potentially have a negative impact on the Management Rights' market include furher anticipated interest rate hikes and possible changes to government legislation which underpins the industry in any given state or territory. With regards to interest rates rises, we believe they would need to be quite significant to have any major impact on value and transactional volume. In terms of legislative challenges, ResortBrokers continues to work with government and peak bodies such as ARAMA, to ensure the industry is viable and represents the best interests of all stakeholders. We encourage all stakeholders to take an active role in this area.

Ours Is A People Business

At ResortBrokers, we value the people behind Management Rights, those who understand that it's more than just a business, it's an investment in the people with whom they live and work. Management Rights is a unique model that offers a win-win for all stakeholders, and something we are proud to be involved with day-in, day-out. With a highly experienced and specialised team working nationwide, we're here to help people reach their next goal.

ResortBrokers® Research

ResortBrokers Research

ResortBrokers is the only agency of its kind with an in-house Research Department, established in 2021 and headed by property economist Josh Mangleson.

The research team works with ResortBrokers' agents and the management team, as well as industry professionals, bodies and clients, to provide business intelligence services and produce data and economic commentary for reports.

This invaluable data supports both agents and their clients through reports and content about assets classes in which ResortBrokers specialises such as Motels, Management Rights, and Caravan Parks.

The research is used to provide trends and predictions to support the purchasing decisions of buyers and the selling decisions of vendors.

Moving forward, research will be used to produce annual reports in a variety of sectors with which ResortBrokers works with the information used to support and showcase the scale and intricacies of the accommodation sector.

ABOUT JOSH MANGLESON

Josh brings impeccable skills to the research team, pursuing a degree in Property Economics which led to immediate recognition.

A class-topping grade point average and several awards through his degree saw Josh invited to join the university's sessional academic staff while still undertaking his studies.

During this period, Josh also worked for a luxury residential and boutique commercial builder in Brisbane as an assistant project manager, before taking up his first role in the numbers' side of property as an analyst with the renowned PRD Research team.

Josh sought to return to university to pursue further study in the Data Science field, which unlocked a range of new opportunities at PRD.

During these years, Josh made radical changes to PRD's data systems which enabled the production of previously impossible reports.

At the same time, he produced ground-breaking reports which received extensive media attention that also led to record-breaking coverage for PRD.

His deep insights into residential markets quickly led to his promotion within the company and allowed him to work with parent company Colliers International on a range of projects, including Colliers' inaugural Build to Rent report.

Since joining ResortBrokers, Josh has continued to break new ground in research as the Management Rights' industry's first analyst, producing invaluable insights.

Josh also implements technological advancements for the company and is now also a regular contributor to ResortBrokers' Informer magazine.

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