

WEDNESDAY 13TH MARCH 2013

# Paradise Resort goes on market

## QUENTIN TOD

GOLD Coast success story, the Paradise Resort at Surfers Paradise, is on the market and is tipped to bring at least \$30 million more than it sold for less than three years ago.

The 380-room family resort, where net profit has more than trebled under the ownership of two Melbourne groups, is being aimed at Asian buyers.

Marketing agent Will McVay said the move to sell the resort was a big positive for the Gold Coast.

"The market is being dominated by receiver and mortgagee sales," he said.

"This sale is just the opposite. The resort has been a winner for

the owners, who now can make a great profit on it."

The Paradise Resort, which covers an entire city block, is earning nearly \$4.5 million a year and is being sold with approvals in place for four towers that would house 1650 apartments as well as commercial space.

Mr McVay, who is marketing the Paradise Resort for McVay Real Estate, said the decision by the Zagame and Pellicano groups to sell the resort was motivated by the demand for Gold Coast property from Asian investors and developers.

"We believe the resort will sell for \$70 million or more," Mr McVay said.

"Any buyer potentially will be

getting a yield of around 6 per cent and they'll have the upside of future development profits."

The resort, which sits on a 2.49ha site at the northern end of Surfers Paradise, is being sold by an expressions of interest campaign that closes on April 18.

The Zagame and Pellicano groups, via their company Bria, bought the property for \$38.967 million from receivers in May 2010.

They have since invested millions of dollars on improvements, including a water park and ice-skating rink, that have been aimed at turning the resort into a "cruise ship on land".

Mr McVay said Bria's all-up investment in the resort was about \$50 million.

He said the property offered a buyer the chance to enjoy a strong income while starting redevelopment.

"Vacant land fronting Norfolk Avenue can be used virtually immediately to build the first tower," he said.

"There's no need for the resort to lose any rooms. Even when the second tower is built, the resort will lose only 50 rooms."

Mr McVay said there were no time pressures on any new owner to start construction.

"Approvals under the development masterplan are valid through to 2026," he said.

The Paradise Resort, which has its entrance off Ferny Avenue, will have a Gold Coast light rail stop at its front door.