



THE U HOTEL GROUP PORTFOLIO

EXECUTIVE SUMMARY

69 KEYS

8 HOTELS, MOTELS AND RESIDENCES

CAPITAL CITY OF WELLINGTON, REGION AND NELSON

NEW ZEALAND'S NEWEST ACCOMMODATION BRAND

THE PROPERTY PORTFOLIO

Area	Accommodation	Brand	Rooms	F&B
Wellington City	Hotel	U Boutique Hotel	14	No
	Hotel	U Boutique Hotel	13	No
	Residence	U Suites On Manners	7	No
	Residence	U Suites On Courtenay	2	No
	Residence	U Suites On Kilbirnie	3	No
Masterton (Wairarapa)	Hotel	U Studios Masterton	11	No
Paraparaumu Beach	Hotel	U Studios Paraparaumu Beach	10	No
Nelson	Sleepery	U Boutique On Haven	9	No



EXECUTIVE SUMMARY

THE BRAND

U Hotel Group is a mid-market, limited service brand positioned in convenient locations in the Wellington Region in New Zealand. There are 69 rooms across 8 hotels, motels, residences and sleeperies which are operated under brands such as U Boutique Hotel, U Residence Hotel, U Suites and U Studios.

The main brand – U Hotel Group along with the sub-brands U Boutique Hotel, U Residence Hotel, U Suites, U Studios (and U Hostels - currently not used) have been trademarked in New Zealand. The brand is owned and operated by Suresh Subramaniam and Katrina Suresh who also own the Trademarks and IP/branding.

With a good mix of Freehold going concern, leasehold tenures and managed properties the brands allow for flexibility and agility in the post COVID tourism environment allowing for less brand related capex costs, lower fixed operational costs and higher margins.

THE MARKET

TOURISM

Tourism is a major contributor to New Zealand's GDP being the largest export sector in the country. Forecast highlights (as abstracted from the New Zealand's Tourism Sector Outlook report released in May 2018) are summarised as follows:



International visitor arrivals to New Zealand are forecast to reach 5.1 million visitors in 2024 (from 3.7 million in 2017, up 37.1%). This equates to a growth rate of 4.6 per cent per year.



Strong short term growth will be driven by a range of factors, including favourable economic situations, low travel costs, and destination marketing. This growth forecast is moderate in the short term due to COVID but moderate to high in the medium term.



Domestic guest nights have consistently increased from 18.8 to 22.2 million from 2010 to 2017.



International guest nights have increased from 12.1 per annum million in 2012 to 17.2 million per annum in 2017



Spend growth is forecast to grow at a higher rate than visitor numbers, suggesting that spend per visitor will increase.



Australia is New Zealand's largest visitor market and is forecast to contribute in excess of 1.8 million annual visitors to New Zealand by 2024, up 23% from 2017.

2021 AND BEYOND

Investment activity has been particularly subdued in 2020 & 2021, due to the ongoing operational impacts of COVID-19. Investors have been using this time to focus on portfolio management given the limited transaction opportunities available.

New Zealand is well placed for an influx of capital into the hotel markets, driven by the following:

- A well managed COVID response placing both a lesser economic impact on the economy compared to our advanced economy counterparts and a lesser health impact on guests;
- Capital outflows from geopolitically challenged countries are more likely, as capital seeks a safer haven during this uncertain trading period;
- Reserve banks throughout the world have lowered cash rates to the lowest levels ever seen, creating highly attractive cost of debt offerings.

On the operational side, New Zealand is positioned substantially better than many markets for a rebound in operational performance.

- Domestic tourism to absorb much of the restricted international tourism spend – New Zealand has a considerable amount of pent up travel demand driven by the closure of international borders.
- Proposed / mooted hotel supply to be put on hold - Given the current operational uncertainty for hotel trade, many hotel developers with mooted and approved hotel sites are placing their developments on hold. This will support a faster growth rate to recovery in operational trade.

THE MARKET

INVEST AND DEVELOP WITH US

Become our partner and let us help you with a brand that is firmly focused on:



Flexibility- The U Hotel Group concept allows for easy conversions of existing businesses or buildings



Variety- We have 6 trademarked brands that fit into most property types



Efficiency- We look after your Revenue Management, Digital and Social Media needs while you focus on your most important asset – your guest



Return on Investment - Industry leading returns on investment due to efficient use of brand assets and higher profitability.



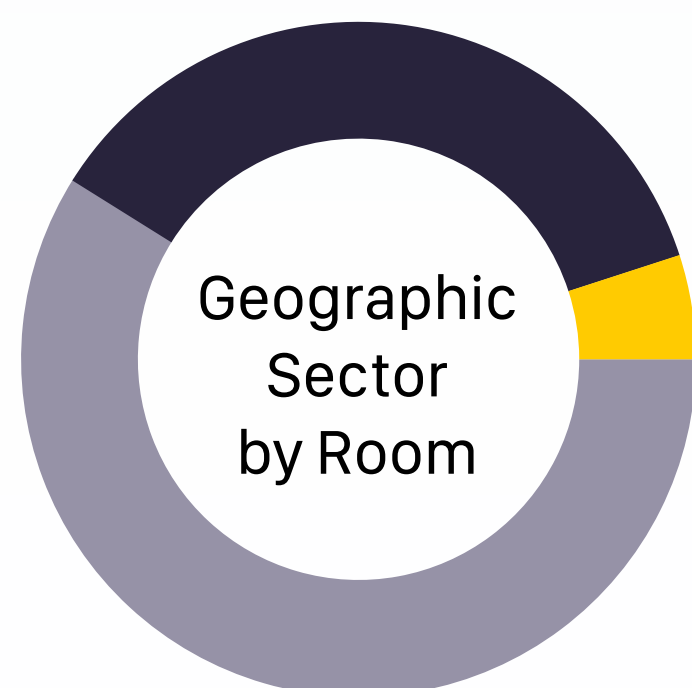
Demand - U Hotel Group gets strong demand from the budget to mid-range markets which are resilient in times of economic downturns.

We aim to be the number one local accommodation brand with a uniquely flexible room and hotel concept – a hybrid between a designer budget hostel and a traditional hotel.

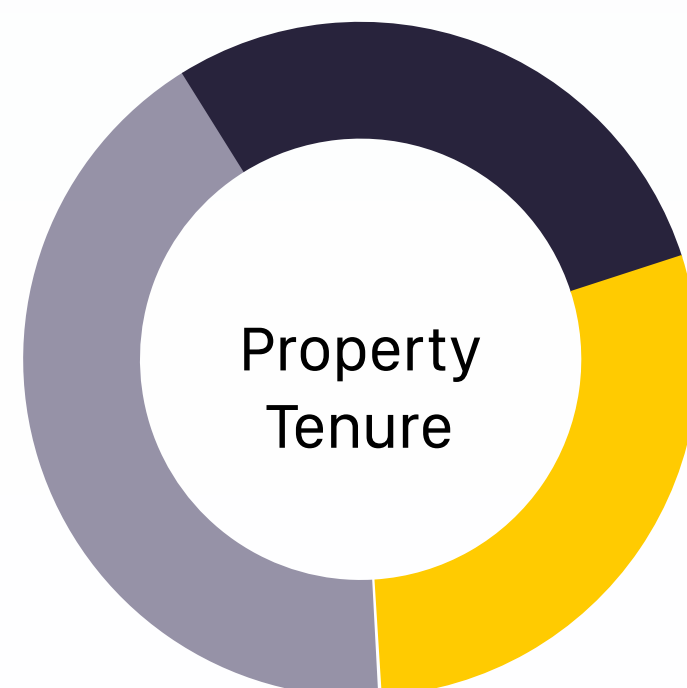
Our properties are individual and designed to cater to people from New Zealand and around the world who are looking for flexible accommodation in urban areas for business or leisure.

PORTFOLIO COMPOSITION

The Portfolio comprises 8 quality hotel, motel, residence and sleepery properties, with 69 rooms across the Wellington Region and Nelson. Under the U Hotel Group, the hotels, motels and residences operate as midscale, limited service offerings, which are typically run with competitive ADRs, leaner cost structures and higher net income margins



44% Regional
4% Suburban
52% CBD



38% Freehold
25% leasehold
37% Management



PORTFOLIO OVERVIEW

U BOUTIQUE HOTEL WELLINGTON



Property Overview

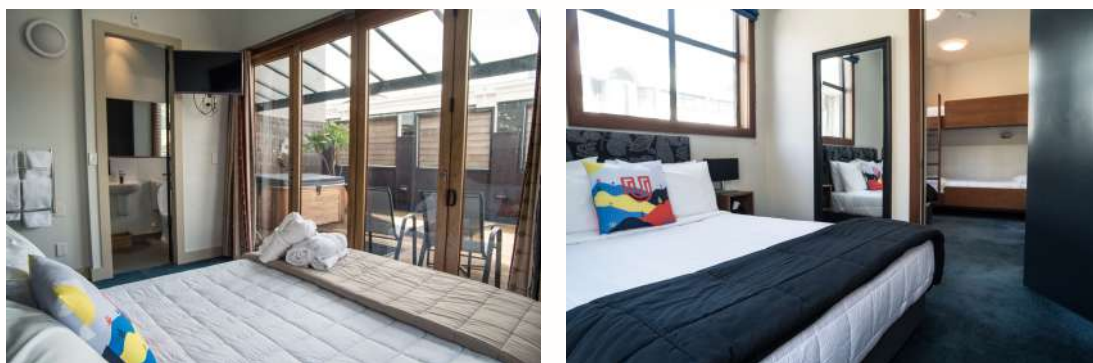
Address: 25 Frederick Street, Te Aro, Wellington

Tenure: Freehold

Year Opened: 2008 (formerly Gourmet Stay)

Room Types – Studios with shared bathrooms, studios with private bathrooms, ensuite studios, family rooms and self-contained studios with ensuites and a 3 bedroom Apartment

Parking: 2 car parks



Key Demand Drivers

- CBD Business Travellers
- Courtenay Place and Cuba Street Entertainment Districts
- Theatre District
- TePapa Museum of New Zealand
- War Memorial
- Proximity to Wellington Regional Hospital
- Shopping precinct

Property Highlights

- Central city location
- Located 5 minutes from Courtenay Place and Cuba Streets
- Rebranded from Gourmet Stay to U Boutique Hotel in October 2018
- Pet friendly property (select room types)
- Varied room types catering from budget to upper mid-scale markets
- 14 rooms in total
- Ranked no.3 out of 64 specialty lodging in Wellington on TripAdvisor



PORTFOLIO OVERVIEW

U RESIDENCE HOTEL WELLINGTON



Property Overview

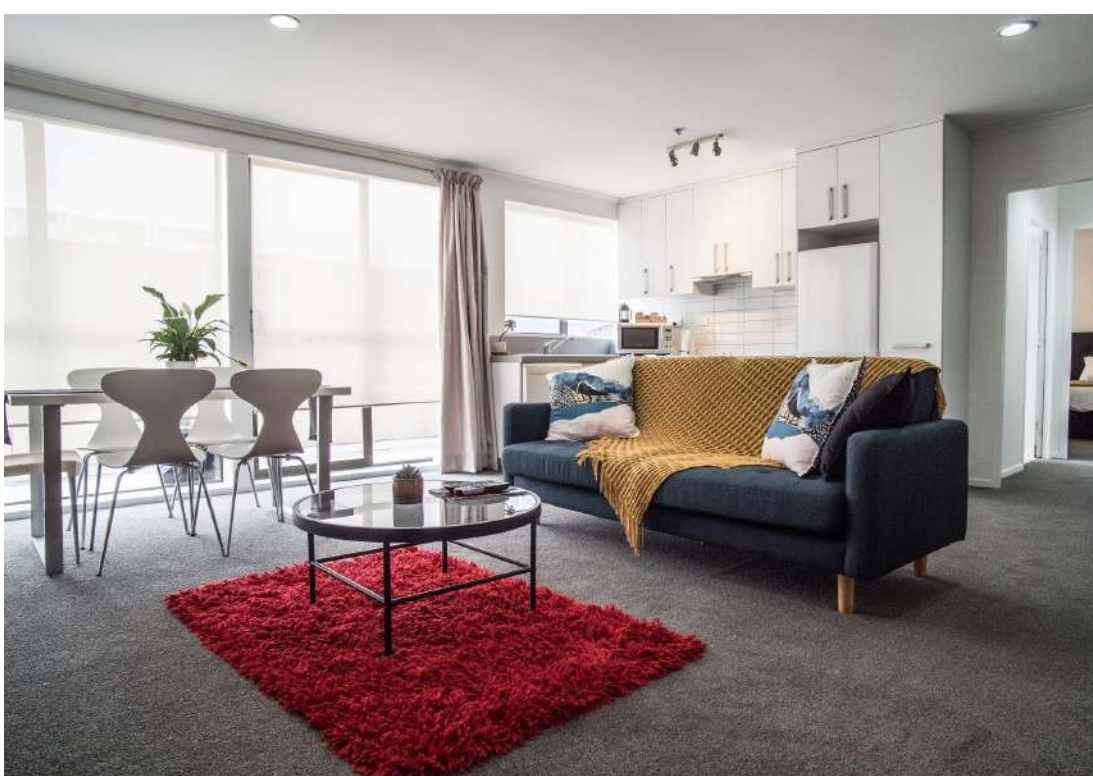
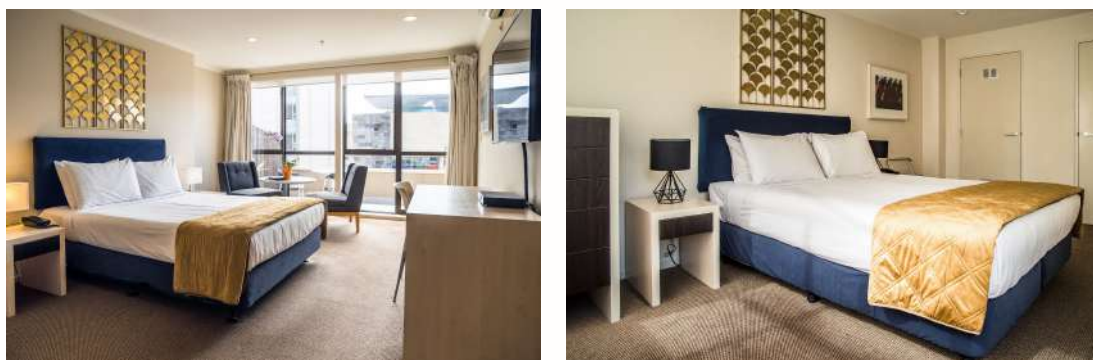
Address: 181 Wakefield Street, Te Aro, Wellington

Tenure: Leasehold

Year Opened: 2008 (formerly At Home Wellington))

Room Types – self contained studios, 1 bedroom and 2 bedroom Apartments, with kitchenettes, laundry and balconies in each room.

Parking: 2 car parks



Key Demand Drivers

- CBD Business Travellers
- Courtenay Place and Cuba Street Entertainment Districts
- Theatre District
- Opposite TePapa Museum of New Zealand
- War Memorial
- Shopping precinct
- Wellington Conference Centre opening in 2023 right next door
- By Wellington's waterfront

Property Highlights

- Central city location
- Located 5 minutes from Courtenay Place and Cuba Streets
- Rebranded from At Home Wellington to U Residence Hotel in October 2018
- Pet friendly property (all room types)
- Fully self-contained studios & apartments with ensuite bathrooms & private balconies.
- 13 rooms in total
- Ranked no.3 out of 52 hotels in Wellington on TripAdvisor

PORTFOLIO OVERVIEW

U SUITES ON MANNERS



Property Overview

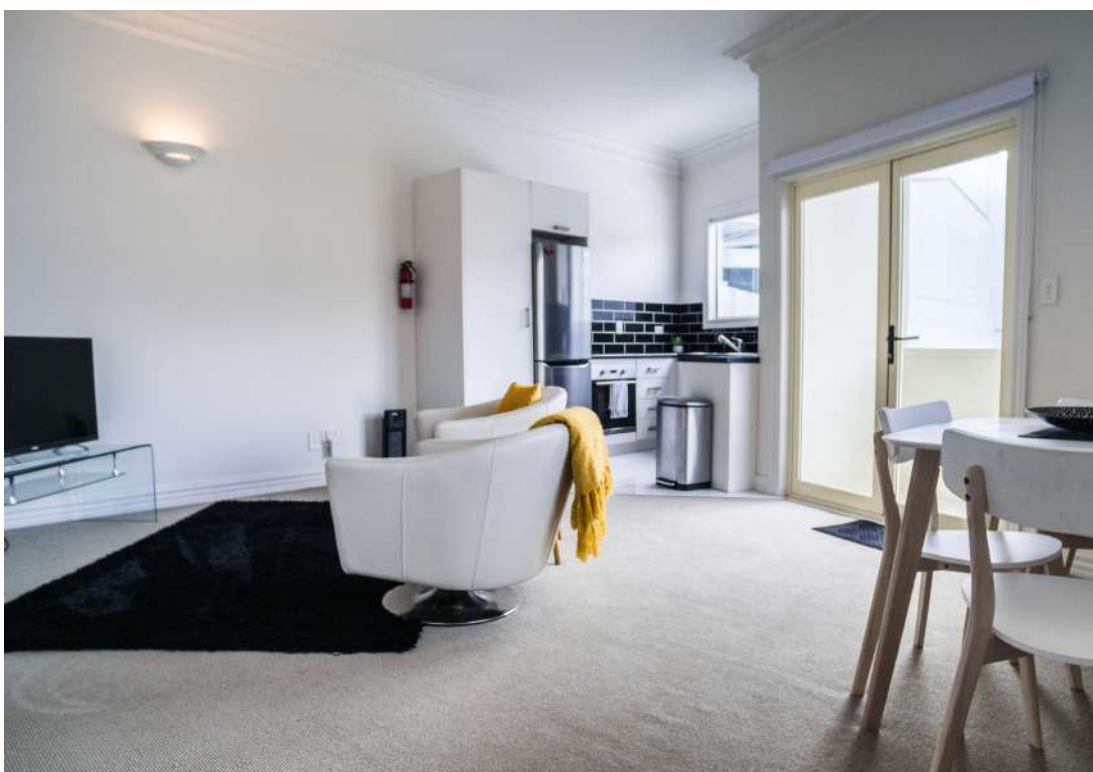
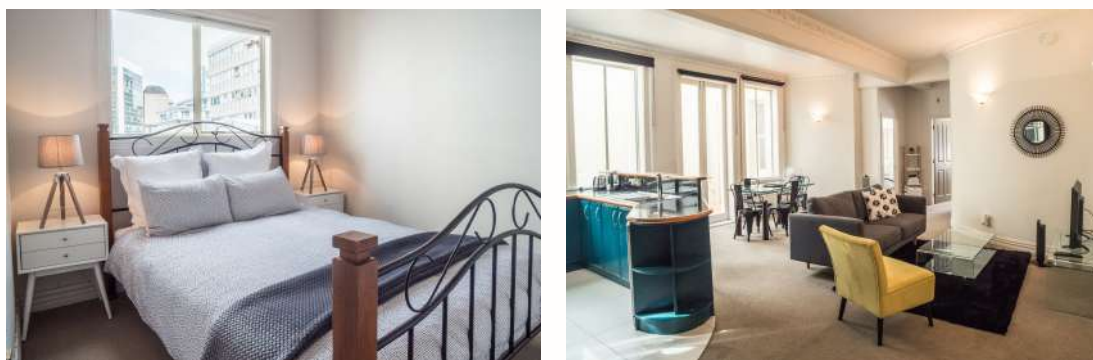
Address: 79 Manners Street, Te Aro, Wellington

Tenure: Management

Year Opened: 2018

Room Types – 2 bedroom, 1 bathroom fully equipped Apartments

Parking: None



• Key Demand Drivers

- CBD Business Travellers
- Courtenay Place and Cuba Street Entertainment Districts
- Theatre District
- TePapa Museum of New Zealand
- Shopping precinct

Property Highlights

- Central city location
- Located on the corner of Manners and Cuba Streets
- 7, Two Bedroom 1 Bathroom fully equipped apartments with full kitchens and laundry
- Self-check in and check out

PORTFOLIO OVERVIEW

U SUITES ON COURTENAY



Property Overview

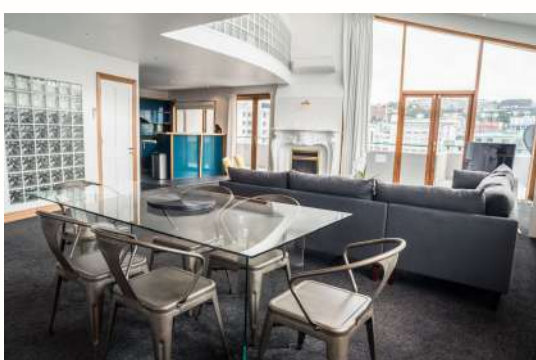
Address: 60 Courtenay Place, Te Aro, Wellington

Tenure: Management

Year Opened: 2018

Room Types – Luxury 4 bedroom, 3 bathroom fully equipped Apartments

Parking: 2

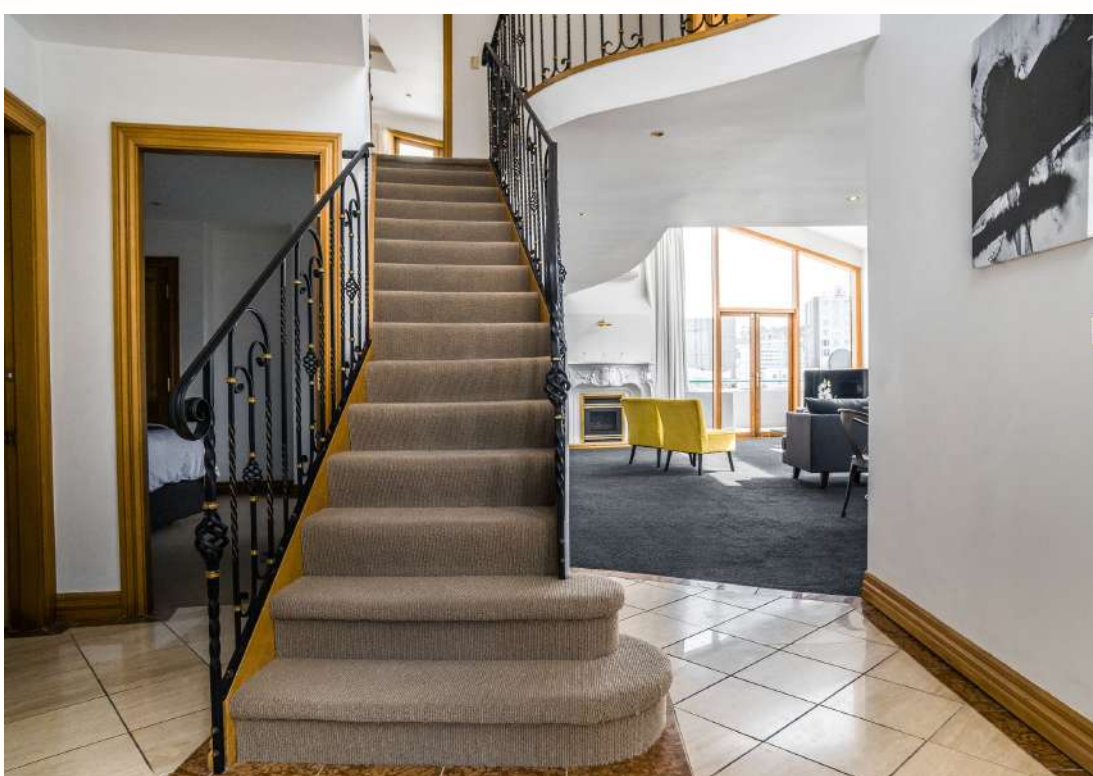


Key Demand Drivers

- CBD Business Travellers
- Courtenay Place and Cuba Street Entertainment Districts
- Theatre District
- TePapa Museum of New Zealand
- Shopping precinct

Property Highlights

- Central city location
- Located on the corner of Courtenay Place and Tory Streets
- 2, Four Bedroom three Bathroom fully equipped apartments with wrap around balconies, full kitchens and laundry
- 350 sqm apartments
- Self-checkin and check out



PORTFOLIO OVERVIEW

U SUITES KILBIRNIE



Property Overview

Address: 66 Bay Road, Kilbirnie , Wellington

Tenure: Management

Year Opened: 2020

Room Types – New 2 bedroom, 1 bathroom fully equipped Apartments

Parking: None

Key Demand Drivers

- Proximity to Airport (5 minute drive)
- Close to Regional Aquatic Centre and ASB Sports Centre
- Proximity to Wellington Regional Hospital (10 minute drive)
- On the doorstep of Kilbirnie's shopping district
- Opposite aged care home and major schools

Property Highlights

- 5 minute drive from Wellington International Airport
- Located on the doorstep of supermarkets, retail, cafes, restaurants and entertainment
- 3, Two Bedroom One Bathroom fully equipped apartments, full kitchens and laundry
- 75 sqm Apartments
- Self-checkin and check out



PORTFOLIO OVERVIEW

U STUDIOS PARAPARAUMU BEACH



Property Overview

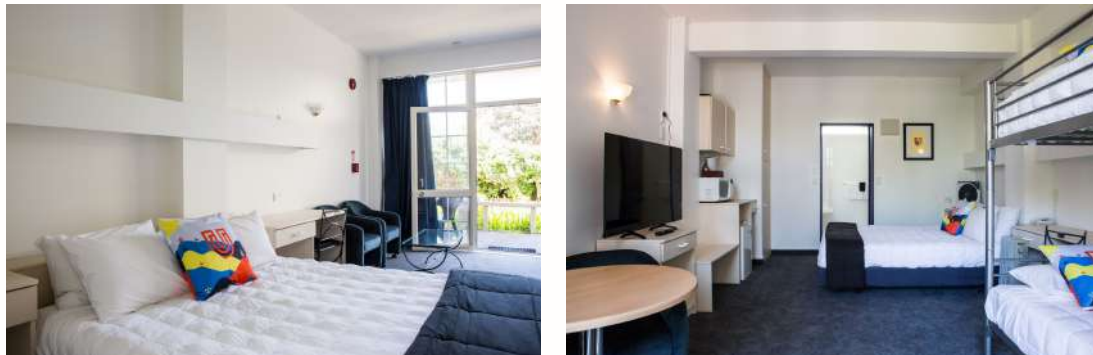
Address: 7-13 Seaview Road, Paraparaumu Beach, Wellington

Tenure: Leasehold

Year Opened: 2019

Room Types – Studios and 2 Bedroom Apartments

Parking: None



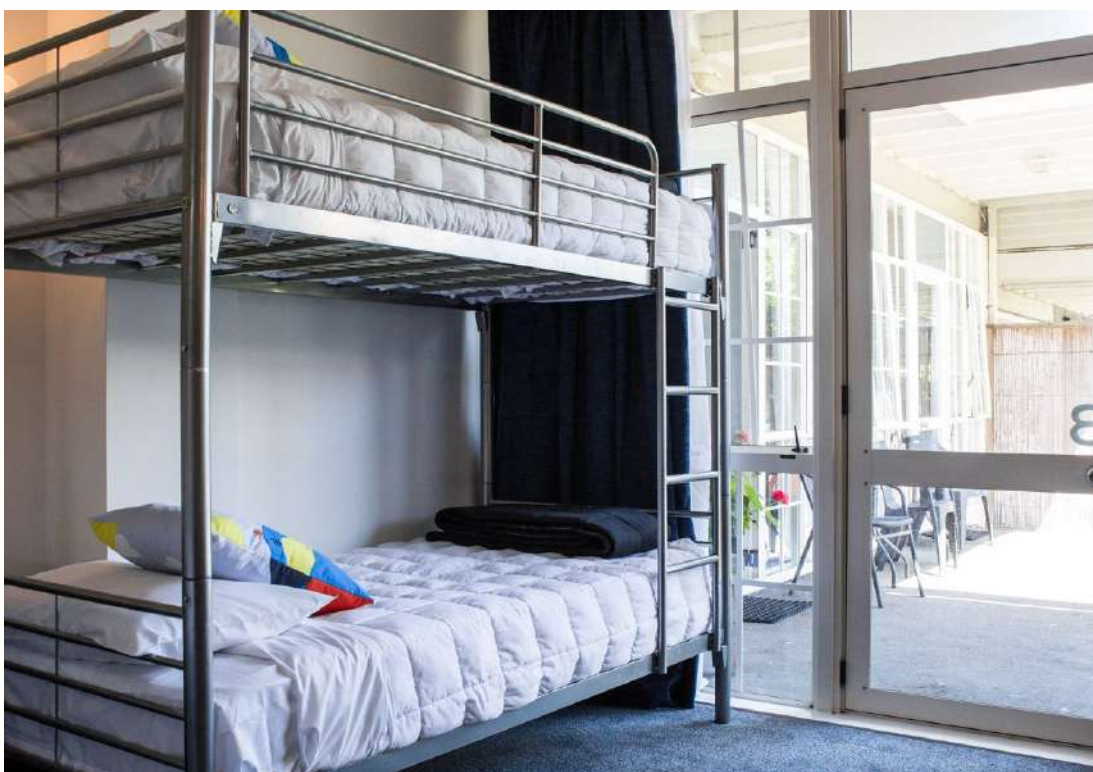
Key Demand Drivers

- Proximity to Kapiti Airport (5 minute drive)
- Proximity to Paraparaumu Beach (3 minute walk)
- At the doorstep of retail shopping, restaurants, cafes, entertainment in Paraparaumu Beach
- Kapiti Island
- Part of a mixed use complex



Property Highlights

- 5 minute drive from Kapiti Airport
- Located on the doorstep of retail shopping, cafes, restaurants and entertainment
- 10 Studios including one 2 Bedroom fully equipped apartment
- Pet friendly in all room types
- Onsite Manager





PORTFOLIO OVERVIEW

U STUDIOS MASTERTON



Property Overview

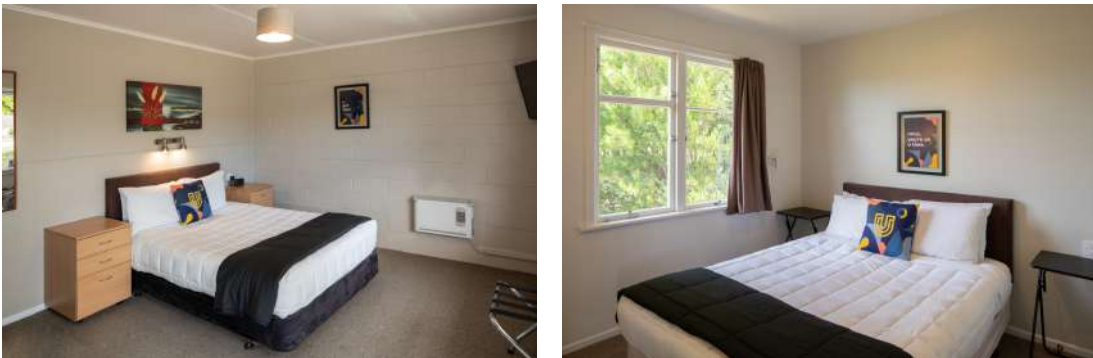
Address: 119 Cornwall Street, Masterton

Tenure: Freehold

Year Opened: 2019

Room Types – Studios and 2 Bedroom Apartments

Parking: 12



Key Demand Drivers

- Proximity to Masterton Town Centre (2 minute drive)
- Proximity to retail shopping, restaurants, cafes, entertainment in Masterton
- Park like grounds with children's playground
- 4 Bedroom Villa + 10 self contained studios
- Pet friendly in all room types

Property Highlights

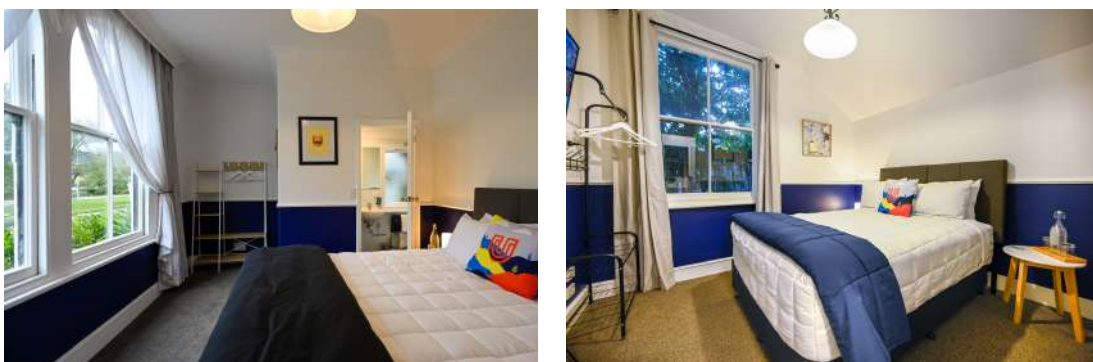
- Close to local shopping precinct
- 4 Bedroom Villa + 10 self contained studios
- Pet friendly in all room types
- Self-check in and check out
- Swimming Pool,
- Park like ground with children's playground





PORTFOLIO OVERVIEW

U BOUTIQUE ON HAVEN - NELSON



Property Overview

Address: 89 Haven Road, Nelson

Tenure: Freehold

Year Opened: 2021

Room Types – Studios

Parking: 09

Key Demand Drivers

- Proximity to Nelson City Centre (3-minute walk)
- Proximity to retail shopping, restaurants, cafes, entertainment in Nelson
- Opposite Nelson City Council and Stadium
- 5-minute drive to Tahunanui Beach (4kms)
- 9 bedrooms all with ensuite bathrooms
- Shared lounge, kitchen, dining, laundry, and outdoor spaces

Property Highlights

- Historic Building built in 1890
- Close to local shopping and business precinct
- 9 bedrooms all with ensuite bathrooms
- Self-check in and check out