

# THE GODS MUST BE CRAZY!

**Well here we are, already three months into 2011. When Christmas arrived last year bookings in holiday buildings across the eastern seaboard were flowing in with an expected kick start to 2011 well assured. Well, almost!**

The heavens opened up, storms, floods, cyclones and to top it off we reach and exceed parity with the U.S dollar (who would have expected it?). Our thoughts and heartfelt sympathy goes to all affected by the loss of loved ones, property and income of the past three months, especially in Queensland and Victoria.

I walk into the boardroom, turn the lights down and dust off the 'Crystal Ball' – gaze meaningfully and ask myself 'what do we have to look forward to in the future months?' Optimistically the future looks to an improving outlook. The Gold Coast in particular is enjoying the fruits of an influx of Chinese visitors taking advantage of serviced apartments in lieu of hotel stays.

The NSW holiday market has had near record occupancy in the past months and no doubt the excellent post-Christmas weather had a dominant affect on this market.

We don't need the 'Crystal Ball' to realize that the economy will improve in the next few months with the building and repair to all affected infrastructure, roads and communication.

The Reserve Bank will no doubt sit on any interest rises and slow, continuing overseas economic improvement will decrease the Aussie dollar back to a level where the Australian public will holiday in Australia, not overseas.

I strongly advise all tourism operators involved in management rights to unite together in each geographical location in Queensland, pool your advertising dollar and get behind the Queensland Government and Tourism push to attract visitors back to the sunshine state.

In the meantime, the management rights industry continues to move forward. No secret very few contracts are forthcoming on the holiday side of the industry, however sales are taking place and settlements are occurring. Purchasers continue to buy at market price and banks continue to lend to the industry.

An industry colleague reported in the February edition of Resort News, the inexperience of certain industry proponents to address the current market. Nothing has changed, your profit and loss must be current not 6 months old. You require a valuation on your associated Real Estate and you will only get the representation you require to sell by working hand in hand with your chosen industry expert.

An incorrectly listed business will not attract any enquiry and hence be impossible to negotiate into a successful contract resulting in a settled sale. On the other hand, all Vendors in high nett profit permanent rental and corporate management rights must look to the heavens and smile when they are ready to sell. New record enquiry and inspections resulting in a successful contract are occurring on a regular basis.

Those fortunate to live in beautiful Queensland, wait and hope that the coming months bring the weather and condition we are used to – beautiful blue skies, bright sunny days and happy smiling holiday guests.

From my point of view and the outlook of the 'Crystal Ball', the coming months leading into late summer and early autumn will result in increased occupancy. Unfortunately, North Queensland will also be a slow and sometimes painful recovery.

Work, communicate and plan cooperatively and the thriving Queensland tourism market will return.

With a better than expected recovery from the G.F.C in November / December to the weather disasters of December / January - one wonders... 'THE GODS MUST BE CRAZY'.

*Jake Clarke*