



the villa *For Sale*



The Villa Guest Lodge in Nuku'alofa on the main island of Tongatapu in Tonga, is an excellent lifestyle opportunity for new owners to enjoy a successful business in an emerging tourist destination.

Since being established as a Guest lodge in September 1995, the Villa has gained an great reputation as a quality accommodation provider in the capital Nuku'alofa and has a strong local identity. It is an accredited 3 Star Accommodation as per the Tonga Tourism Star rating system.

The climate is tropical and it is located 2 hours and forty minutes by aircraft from New Zealand. There is a good sized expat community, mostly involved in the tourism industry, and the restructure of the government including the holding of the democratic elections and the increased focus on tourism as an economic driver augers well for the future.

The Lodge includes five guest rooms each with an ensuite, and facilities international travellers expect such as a desk, air conditioning, halogen lighting and wireless internet access. It is a short walk to the CBD, wharves and cafes and restaurants, and is located across the road from the sea.

The Lodge offers a range of food and beverage options which are easily run by the owners. The current owners did not have a hospitality background when they purchased the business in 2003. Three of the previous owners have been from the South Island of New Zealand.

The vendors have an arrangement with a retired couple who periodically take over the running of the Villa to enable them to enjoy an extended holiday away from the business. This is an rare opportunity to enjoy a quality business in a tropical climate.



Location and Surrounds

The Villa Guest Lodge is conveniently situated on the waterfront esplanade of Vuna Road to the East and is an easy 10 minute walk to the Central Business District of Nuku'alofa, Tonga's Capital City. It is also close to the harbour and wharf area.

This makes the Villa popular with both business travellers and tourists being a short walk to the main bars, cafes and port facilities. The Villa is located 30 minutes from the airport and transfers can be arranged.

Tonga is located 2 hours 40 minutes by aircraft North from Auckland and is one of the closest Pacific Islands to New Zealand. Air New Zealand, Pacific Blue and Air Pacific all have scheduled flights ex New Zealand and Australia.



The Villa has a prime waterfront location 1km walk from the Post Office/CBD. Ideally located to ferry terminals, shops, restaurants bars and both the Australian and NZ High Commissions. It is also close to the Australian Residence.

The Accommodation

The accommodation includes five large guest rooms with queen beds, ensuite facilities and amenities, and a large owner's accommodation within the complex with spacious office, bedroom and bathroom.

The current owners have focused on building the business and professional market and this represents around 80% of the current business mix. Accordingly the rooms all have good work desks, halogen lighting, air conditioning direct international dial telephones and wireless internet access.

Much of the business market is built on government work as Tonga is the recipient of substantial overseas aid and much of this is in the provision of consultants, though more emphasis has been placed on the tourist market in the last 12 months.

As Nuku'alofa is the Capital, all Government Departments and NGO's are based there. The average length of stay is approximately 10 – 14 days however some stay for a number of months. The vendors generally impose a three night minimum stay for the tourist market.

Food and Beverage

Currently the restaurant/bar is only open one night a week, Friday. The kitchen is open from 6pm to 8.30pm with the bar remaining open until around midnight. The license allows the cafe/bar to operate 7 days a week.

The formula is extremely simple - the best fish and chips in the country with fresh snapper or mahimahi and usually one other option - ie pasta or chicken and a couple of dessert options. It's very casual and very popular, average numbers around 40 and up to 55 with average spend around \$48 per head.

There is now a great selection of imported beers available in the Kingdom but we do import our own wines from NZ which are shipped up 3 or 4 times a year, this isn't totally necessary either but it does give us a decided advantage over other bars in that we can offer superb NZ and Italian wines at a reasonable price.



General

It is an excellent cash flow business making forecasting relatively easy. Most accounts are settled by credit card however there is also some cash payments. There are very few charge backs and have no bad debts or collection issues. The premises hold both accommodation and restaurant/bar licenses.

A consumption tax was introduced in 2005 (called CT) which is currently 15% and The Villas is registered as a CT business.

Management and Staff

The business is run by the vendors with the assistance of a part time local who helps with cleaning.



The Lease

Only a Tongan male can own land in Tonga, so most foreign owned businesses in Tonga operate on a lease. There is no requirement for any local partnership and the business is currently run as a sole proprietorship.

The current tenancy agreement now expires 30 November 2034. There are five (5) yearly rent reviews, giving the new Owner an opportunity to re-negotiate a new Lease based on up front "key money".

The Opportunities

Increasing visitor numbers are a likelihood as more foreign assistance in the form of advisors and consultants will increase, in particular from New Zealand and Australia and the Villa is well positioned to capitalise on this increase in accommodation requirements.

The New Zealand governments 'hand up rather than hand out' policy has already seen an increase in international advisors and consultants being employed to assist in the political and economic restructure.

Tripadvisor assessment

The business rates number 1 of 6 lodge accommodation providers in Nuku'alofa on Tripadvisor and there is a shortage of quality accommodation that is acceptable to international travellers.



Tourism in Tonga

In addition to The Villa's own website the Guest Lodge is featured on these websites:

- * www.tongaholiday.com
- * www.tripadvisor.com
- * travel.mapsofworld.com
- * www.thekingdomoftonga.com

Tonga is starting to take Tourism seriously as it hasn't enjoyed the profile and status that other Pacific nations have. The recent appointment of a new CEO of the Tonga Tourism Bureau, and the appointment of a special advisor to the Ministry of Tourism to focus on Tourism development illustrates the urgency and importance now being placed on the sector.

There is significant air capacity and a shortage of quality accommodation yet there are many enticing experiences to be had including:

- * Whale swimming and watching
- * Diving and Snorkelling
- * Yachting
- * Kayaking and outrigger canoes
- * Fishing
- * Surfing
- * Trekking and camping
- * Kart safaris

For prospective purchasers, complete and detailed financial records available from 2003 to the present, comprising:

- Lease Agreement and addendums
- Chattels list
- Depreciation schedule
- Financials including P&L, Balance sheet, all reports from Quickbooks as required.
- Occupancy by month/year.
- Tax records

The sale is based on "walk-in walk-out" basis, including all chattels as noted. Owners willing to stay on for up to 4 weeks as required for transition period.



For more information on this property, please contact Paul Schaumkel on +676 887 0040 or +676 771 4977. Please visit www.propertytonga.com for a PDF of this brochure. Email paul@propertytonga.com