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Business
Daydream Island revamp on cards

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EXCLUSIVE

THE new Chinese owners of Queensland’s Daydream Island plan to reconfigure the existing 296-room resort and are considering developing the southern end of the island off Shute Harbour.

Shanghai-based real estate conglomerate China Capital Investment Group beat a tough field to buy the vacant possession resort island in the Whitsundays paying just over \$30 million in a deal foreshadowed by The Weekend Australian last Saturday.

CCIG is considering its plans to redevelop the 1km long island, potentially adding private villas or a boutique resort to the southern end of the island.

CCIG bought the island from former vitamin entrepreneur Vaughan Bullivant, who forked out \$25m in 2000 before spending millions building a 4.5-star resort and spa.

Chinese companies are setting the pace in buying islands this year with news that China’s Rainbow Holdings NZ has just bought two Auckland islands in a \$NZ41.5m (\$38.7m) deal. The little-known group is planning a \$NZ130.6m six-star luxury resort and native reserve on Pararekau Island and Kopuahingahinga.

Several Chinese-backed companies as well as locals looked at buying Daydream Island, including a Melbourne-based Asian-backed firm.

Other Chinese groups said to have taken an interest were Chinese cable TV operator Whitehorse which bought Lindeman Island in 2012 and is expected to build a six-star \$450m resort. Whitehorse has called in new architects to its own project and completed a new masterplan that has been submitted to the Queensland government.

Other Asian players have been aggressive including Hong Kong businessman Benny Wu who bought Double Island off Cairns for about \$4m, about half its asking \$8m asking price. Dr Wu is expected to build a string of holiday villas on the island.

The Malaysian-owned Hayman Island recently underwent a \$60m refurbishment and was rebranded a One & Only resort.

Great Keppel’s owner Terry Agnew will soon announce his \$2 billion plans but he has already revealed the popular island off Yeppon will sport a Greg Norman designed golf course.

British-born developer John Spence’s Karma Royal Group last month unveiled plans to pour \$20m into rebuilding the Rottnest Lodge off the coast of Western Australia.

Dransfield Hotels & Resorts director Dean Dransfield cited the rise of low-cost airline carriers, and improved flight affordability, as well as more Chinese travellers as drivers of island purchases. However, he cautioned that the profitability of island resorts may be hampered by Australia’s higher labour costs and the need for them to operate on a large scale in to order spread the costs.

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