



INFORMATION MEMORANDUM

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# Newman Hotel

**CBRE**



# Rock Solid Investment

**CBRE Hotels as exclusive agents are pleased to present the Newman Hotel, located at 1401 Newman Drive, Newman WA 6753.**

One of Australia's most powerful resource hubs, the Mount Newman Mining Company established Newman in the 1960s in response to the discovery of a significant iron ore deposit on Mount Whaleback. Today Mt Whaleback operated by BHP is one of the world's largest iron ore mines.

1,200km north from Perth, Newman is a small mining town in the East Pilbara shire and acts as a key pillar in WA's resource industry. Home to over 5,000 permanent residents and 4,000 "fly-in fly-out" workers, Newman is a key service hub between Tom Price and Paraburdoo and is linked by road and rail to Port Hedland Port, the world's largest bulk export facility, exporting over 733M tonnes in 21/22, with an estimated value of \$166B.

The mining town offers fantastic infrastructure amenity with two shopping centres, hotels, bars, educational facilities, hospital and airport.

Newman Airport is one of the most frequently used airports in the Pilbara, with daily flights operating between Perth and Newman and surrounding mine sites.

Offered for sale as Freehold Going Concern, The Newman Hotel represents a fantastic opportunity to acquire one of towns largest and well-known hotels, with a fantastic growth outlook for an already high cash flow business.

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# Investment Highlights

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## The Largest Accommodation Precinct in Newman

The Newman hotel is the largest private accommodation and hospitality asset in Newman offering 222 Hotel Keys & 1 x 2 bedroom villa throughout the complex. The hotel is supported by the Purple Pub which offers a TAB, live broadcast sport and entertainment as well as The Palms restaurant and the Bistro Garden Bar.

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## Secure Income Profile with Strong Growth Upside

The asset has a diverse and secure income stream with 28% of revenue generated through the accommodation and 72% through food & beverage (based off the last 5 years average figures). The hotel is set to benefit from an influx of new workers with BHP looking to expand its operations at their Western Ridge mine site in Newman.

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## Resource Hub of Australia

WA's resource sector continues to perform well with pricing for key commodities remaining above historical levels. This has led to a downstream impact on project investment with approximately \$50 billion of projects committed to with a further \$106 billion in the pipeline.

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## Minimal Capital Expenditure Required

The hotel has recently undergone a capital expenditure program with continual refurbishments and redevelopments to the accommodation rooms, suggesting only ongoing maintenance items are required in the immediate future.

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## Substantial Land Holding

Developed over a large core land holding of 21,584 sqm the hotel offers ample onsite car parking for guests staying at the hotel and patrons using the hospitality amenity.

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## Future Tender Optionality

The hotel has the ability to tender out the accommodation with 222 keys, giving an incoming purchaser the option to partner with one of, or multiple resource companies, offering a set and forget income stream for the hotel.

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# Executive Summary

Property	Newman Hotel
Address	1401 Newman Drive, Newman WA 6753
Location	<p>Located at the North end of the Newman Town Centre on the eastern side of Newman Drive.</p> <p>Newman is located approximately 1,200km north of Perth and 450km south of Port Hedland.</p>
Rooms	<p>Hotel Keys – 222</p> <p>1 x 2 bedroom villa</p> <p>Total - 223 rooms</p>
Land Area	Total Area - 21,584sqm
Tenure/Legal Description	<p>Lot 581 on Deposit Plan 214575. Certificate of Title Volume 1577 on Folio 553.</p> <p>Lot 10 on Diagram 66095. Certificate of Title Volume 1664 on Folio 191.</p> <p>Lot 1500 on Deposited Plan 76623. Certificate of Title Volume 2812 on Folio 376.</p>
Local Government Area	Shire of East Pilbara
Zoning	Newman Town Centre - Town Planning Scheme No. 4
Licensee	Hotel Newman Pty Ltd
Licence No.	6010016188
Licence Type	Hotel Licence
Method of Sale	The Newman Hotel is offered for sale via Offers to Purchase closing Thursday 19 October 2023 at 3PM AWST
Due Diligence	Due diligence material, housed in an electronic data room website, and in addition to the information provided in this document, will be made available to any qualified potential purchaser upon execution of a confidentiality deed and request for independent review and assessment.





Boundary line indicative

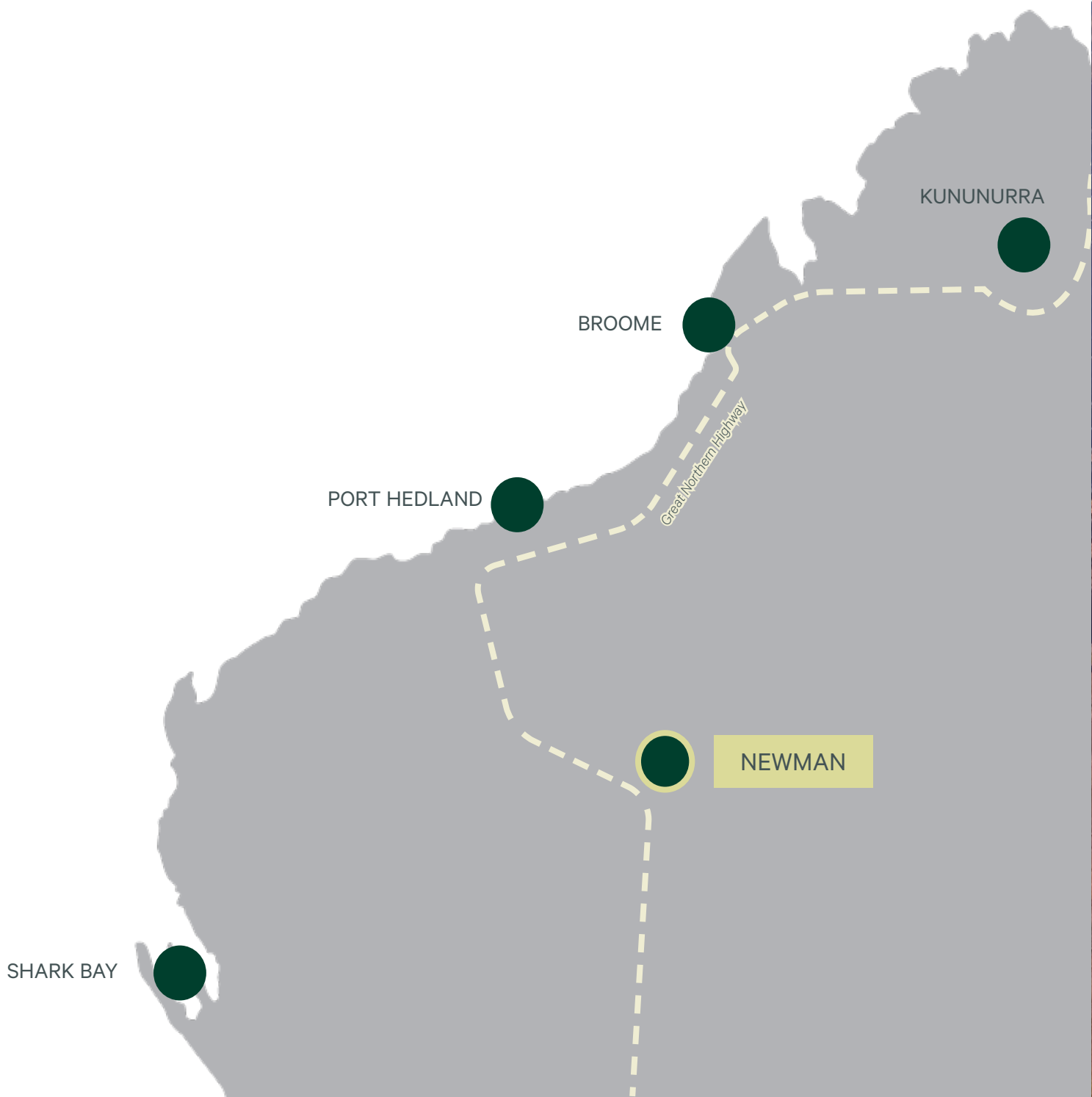






# Location

Located 1,200 kilometres north from Perth in the East Pilbara shire the largest shire in Australia, the area is well known for its rich mineral resources, particularly iron ore. Newman was established in the 1960's as a key service town supporting major mining operations in the area. The town is also known for its proximity to Karijini National Park one of Western Australia's major tourist destinations as well as some of Australia's best outback 4WD tracks.





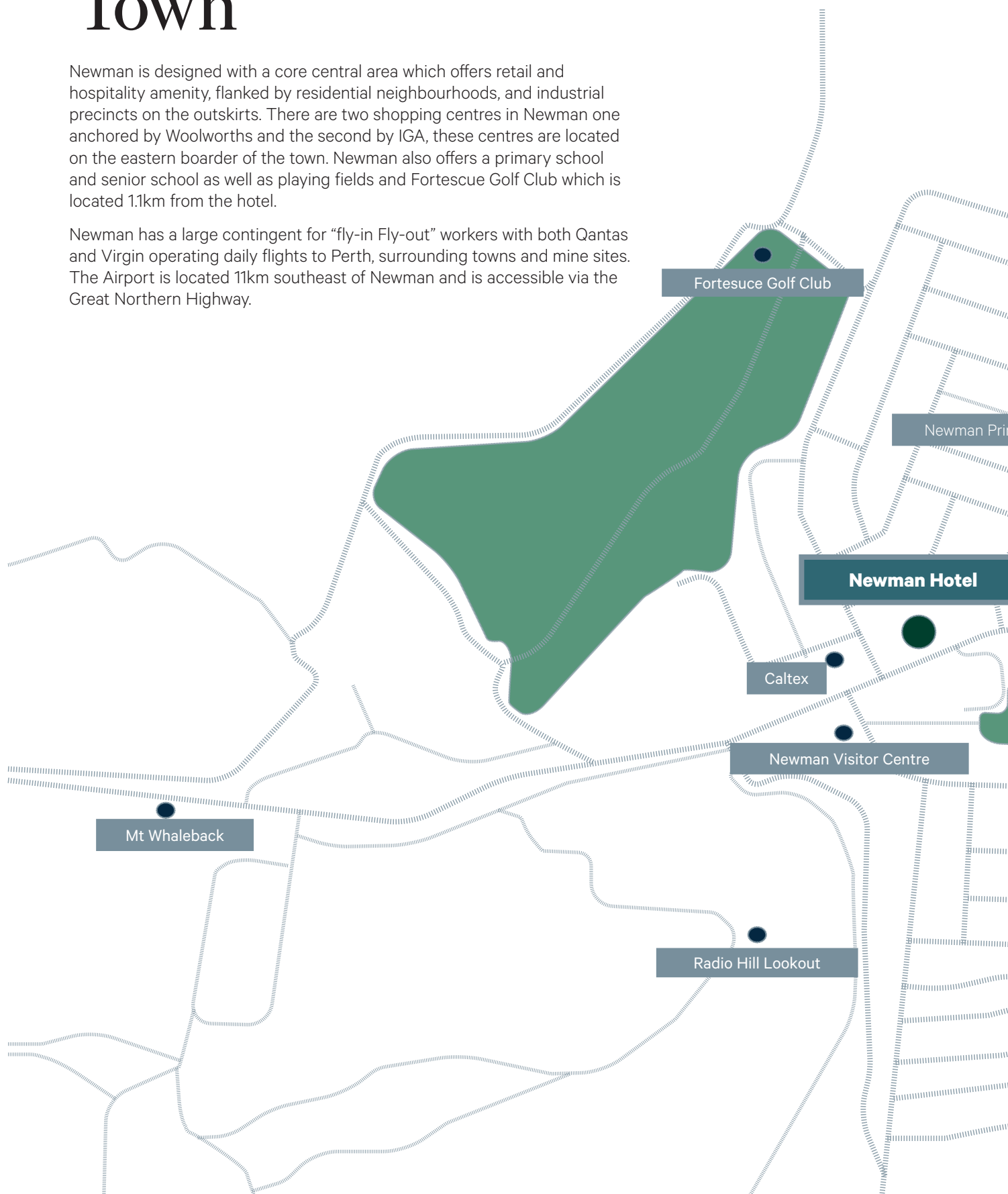




# Newman Town

Newman is designed with a core central area which offers retail and hospitality amenity, flanked by residential neighbourhoods, and industrial precincts on the outskirts. There are two shopping centres in Newman one anchored by Woolworths and the second by IGA, these centres are located on the eastern boarder of the town. Newman also offers a primary school and senior school as well as playing fields and Fortescue Golf Club which is located 1.1km from the hotel.

Newman has a large contingent for “fly-in Fly-out” workers with both Qantas and Virgin operating daily flights to Perth, surrounding towns and mine sites. The Airport is located 11km southeast of Newman and is accessible via the Great Northern Highway.









# Accommodation

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Currently the Newman hotel offers 222 hotel rooms plus a 1 x 2 bedroom

Room types include:

**King Single:** The King Single room offers smart TV, ensuite bathroom, fridge and BBQ area.

**Double Standard Rooms:** The double standard rooms offer a queen bed with an ensuite shower, toilet and vanity.

**Executive:** The executive rooms offer a queen bed with an ensuite shower, toilet and vanity.

As the largest private accommodation provider in Newman, the hotel can offer a variety of rooms options to guests and staff.



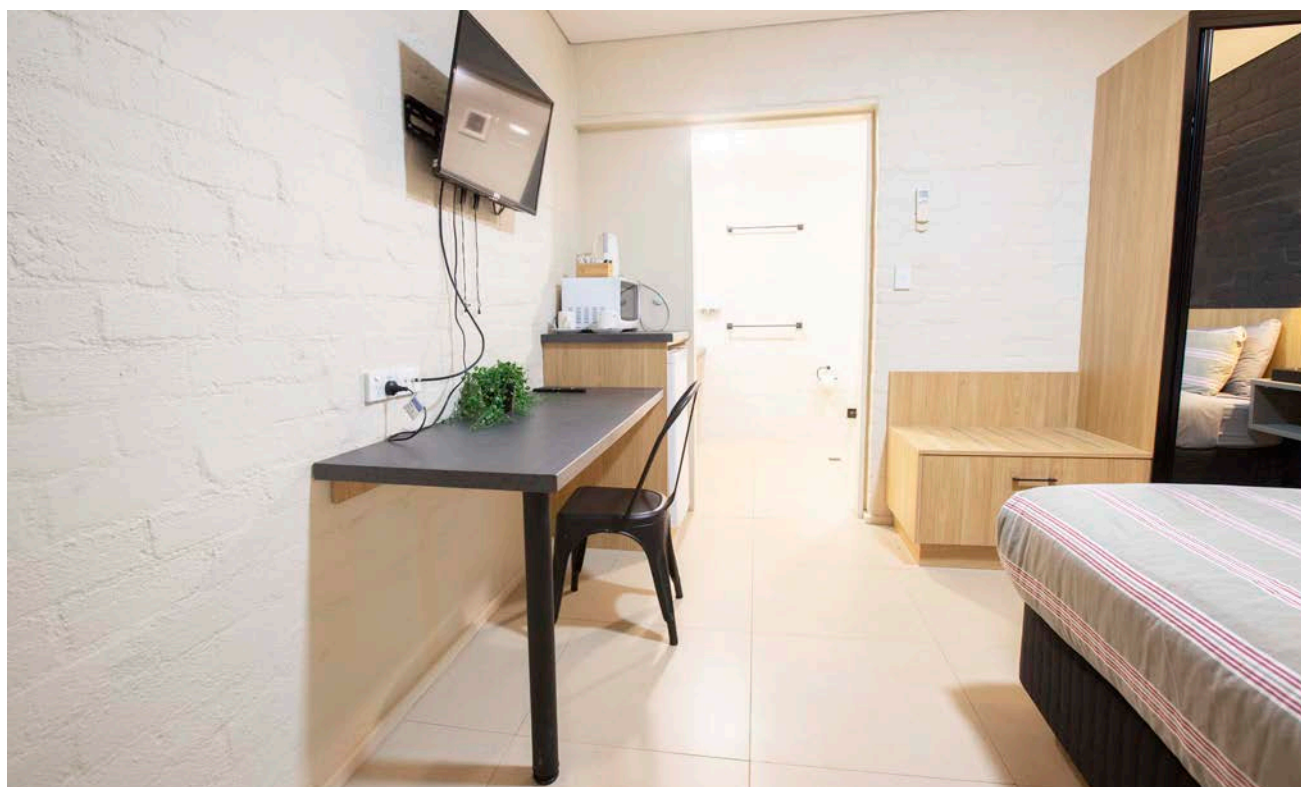
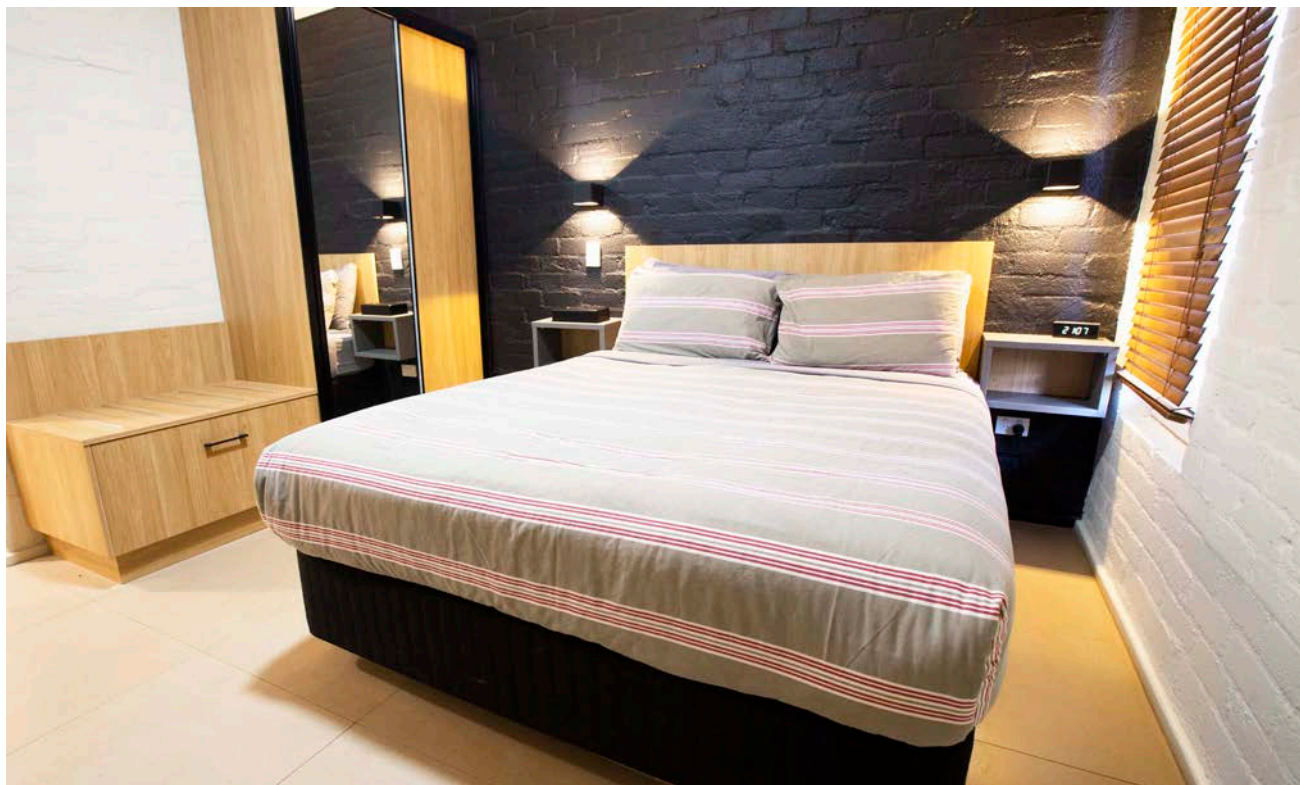






# Accommodation

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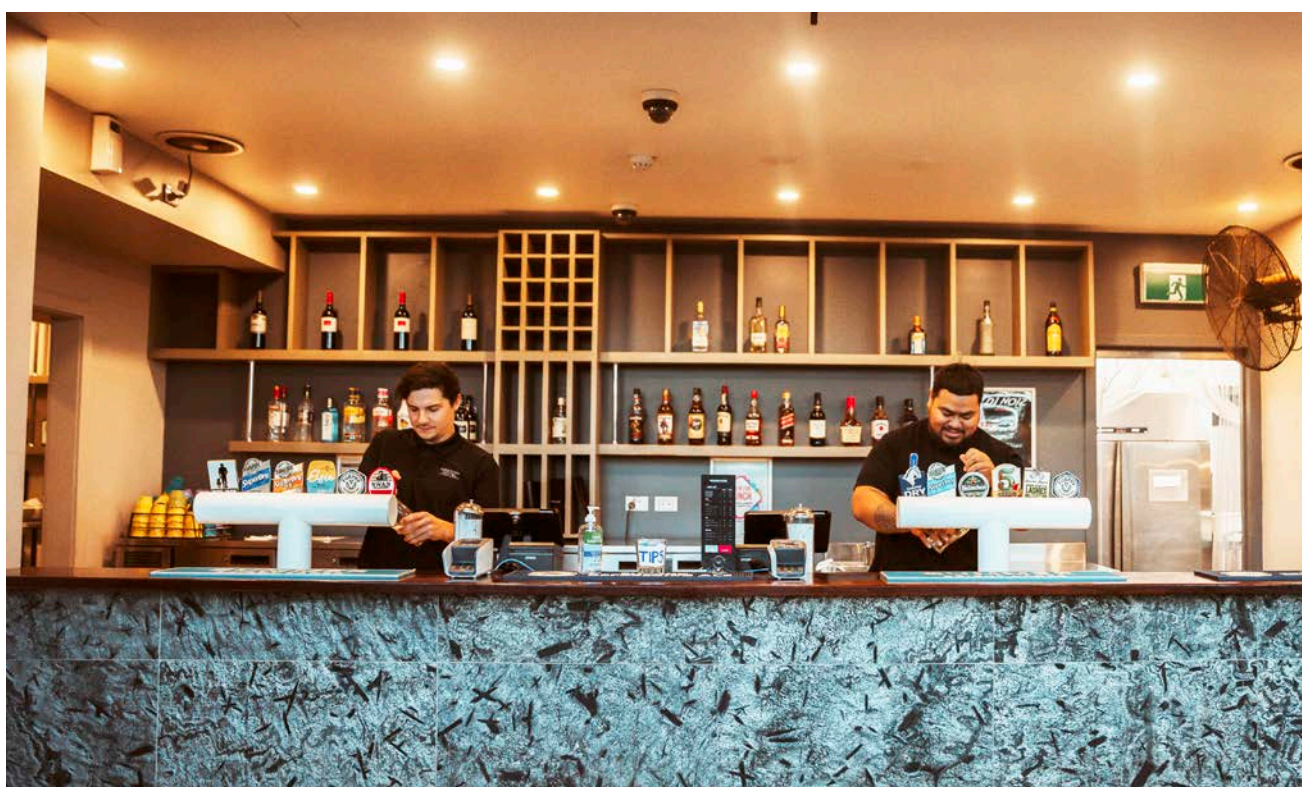






# Amenities

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# Financial Analysis

Below is the financial summary of the Newman Hotel over the last 5 years, this information is to be used as a guide only.

	FY 2019	FY 2020	FY 2021	FY2022	FY 2023
Accommodation Revenue	\$3,321,684	\$4,107,179	\$3,861,928	\$4,153,542	\$4,140,813
Bistro & Garden Bar Revenue	\$1,647,870	\$1,371,029	\$1,729,061	\$1,668,541	\$1,342,584
Palms Restaurant Revenue	\$3,789,448	\$4,382,824	\$4,314,739	\$3,857,172	\$4,716,466
Purple Pub Revenue	\$2,230,932	\$2,032,841	\$2,587,476	\$2,469,808	\$2,655,315
Bottle Shop Revenue	\$1,332,242	\$1,804,090	\$2,122,650	\$2,038,063	\$2,178,651
Take 5 Revenue	\$121,801	\$119,802	\$100,110	\$61,054	\$0.00
<b>Total Revenue</b>	<b>\$12,443,977</b>	<b>\$13,817,765</b>	<b>\$14,715,964</b>	<b>\$14,248,180</b>	<b>\$15,033,831</b>
<b>GOP</b>	<b>\$5,208,739</b>	<b>\$5,809,745</b>	<b>\$5,809,793</b>	<b>\$5,182,828</b>	<b>\$6,282,432</b>
<b>EBITDA</b>	<b>\$2,842,542</b>	<b>\$3,542,719</b>	<b>\$2,761,955</b>	<b>\$1,565,508</b>	<b>\$2,638,819</b>





# Newman Market Overview

## BHP Newman East & West Operations

BHP Newman operations include two mining sites Newman East and Newman West, formally known as Mount Whaleback. This is Newman’s largest mining operation, producing 78 million tonnes of iron ore annually, which is then transported by rail to Port Hedland. The mine employs around 2,715 people with a strong contingent for fly in fly out workers.

Mine	Operator	Distance to Newman (KM)	Number of Employees	Total Production y-o-y Millions Tonnes (Mn T)
Yandi	BHP	184	1,398	80.0* Mn T
South Flank	BHP	122	2,500	80.0* Mn T
Jimblebar Mine	BHP	39	1,836	67.0* Mn T
Mining Area C	BHP	139	3,624	65.0* Mn T
Roy Hill Mine	Hancock Prospecting	127	3,374	55.0*Mn T
Cloudbreak	FMG	182	2,992	51.0* Mn T
Christmas Creek	FMG	144	3,005	49.0* Mn T
Iron Valley	Mineral Resources	75	578	20.0* Mn T
Hope Downs 4	Hancock Prospecting & Rio Tinto	43	710	15.0* Mn T

Source: Department of Mines, Mineral, & Petroleum 2022 review

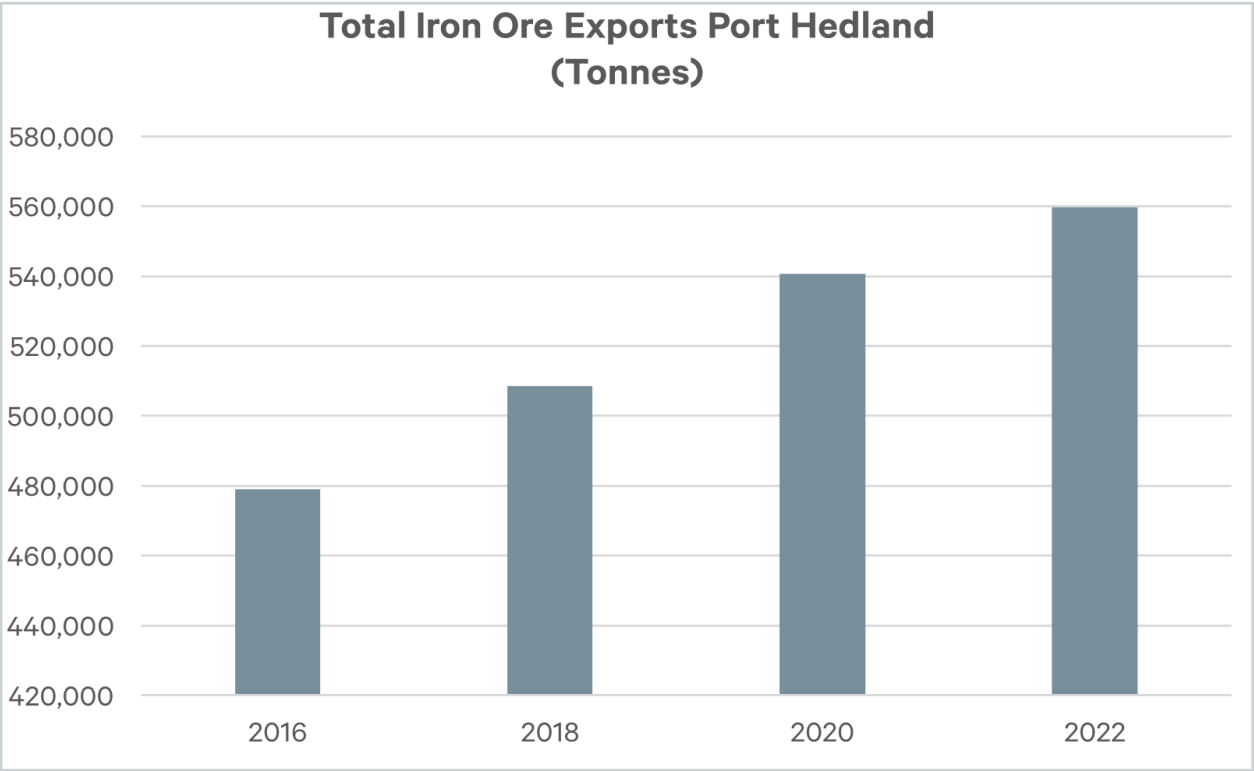
## Decarbonisation Driving Pilbara Job Growth

Mining giant BHP has outlined a decarbonisation plan developing \$4 billion of wind, solar and battery storage plants in the Pilbara with aims of achieving a 30% reduction by 2030 and net zero by 2050. Newman is set to be the main beneficiary of this project with 4 its major mining operations within 150kms of the town.



Iron Ore Export Volumes

In 2022, Port Hedland exported 559.7 million tonnes of iron ore, (733M tonnes of mixed commodities) a yearly record for the multi-user facility. BHP, FMG, Roy Hill, and Mineral Resources are the most frequent users of the port, with Rio Tinto exporting through its own shipping facilities. Over the last 6 years we have seen 15% growth in total iron ore exports out of Port Hedland with major commodity consumers being China accounting for 82% (482.4 million tonnes) and Japan, South Korea, Taiwan, and Vietnam accounting for 18% of total exports.



Source: Pilbara Port Authorities Port Statistics & Reports

Traditional Owners

The Martu people are the traditional owners of a large part of central Western Australia which extends from the Great Sandy Desert in the north to Wiluna in the south. Martu people have lived in the area for over 40,000 years, making them among the oldest living culture in the world today. They have an established community program which helps manage their traditional lands, as well as being involved in various industries such as mining and tourism.







# Sale Process

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## **Sale**

The 100% Freehold Going Concern interest in The Newman Hotel, WA.

**Offers to purchase closing Thursday 19 October 2023 at 3pm AWST**

## **Due Diligence**

An Electronic Data Room (EDR) has been established to facilitate the provision of due diligence information. Access to the EDR will be granted upon execution of a Confidentiality Deed Poll and acceptance of the terms of the data room protocol. Please contact the exclusive agents to arrange access to the EDR.

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# CBRE







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