

Poona Palms Case Study



Working with our customer to deliver a great solution!

We first contacted Don in 2005, but it wasn't until 2016 that Don approached us with a request for four Wattle cabin designs for his Poona Palms Holiday Park.

Check out the design here
<https://assetcabins.com.au/cabins/wattle/>

He wanted only the best quality for his park and we were lucky to help him out. Don admitted that it took a while to get over the shock of paying \$100,000 for a single large asset, however it didn't take long to see the benefits of this investment as ROI performance greatly improved and he was thankful he made the decision.

But it wasn't that easy, there were a few obstacles!

What to consider – challenges Don faced

1. The park is located in a bushfire zone therefore the cabins had to be built to meet a BAL rating/ Maximum protection against ember attack was required, which included changes such as modwood flame shield decking, aluminium mesh door and window screens
2. The park is also located in a tidal surge zone - where sea levels rise above normal level during tropical storms – the cabins needed to be set up higher to prevent water damage
3. Applications had to be made to repurpose the use of the park – this can be challenging!

Asset Cabins and Homes were able to assist with these processes throughout the project and Don was able to kickstart his tourist park company. In 4 years, Don was able to pay off the 4 cabins from rental income earnings. Ever since, Don is now earning clean profit!

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A secluded paradise getaway!

Don Wallace is a born and bred Queenslander, who grew up on a 15,000-acre farm, 85kms from town. In latter years, Don chose to purchase an existing park along the waterfront of Poona. Now known as Poona Palms Holiday Park, he owns and operates this secluded getaway for holiday makers.

Poona is a hideaway township along the Great Sandy Strait that overlooks the world's largest sand island, Fraser Island.

This park was initially mixed use, accommodating permanent caravan residents or tourists for short and long-term stays. Don has now owned the park for 17 years and has gradually shifted the parks focus. There is no longer permanent caravan residency, its purely tourist accommodation, which has successfully transformed the park into significant waterfront accommodation for the Sunshine Coast.

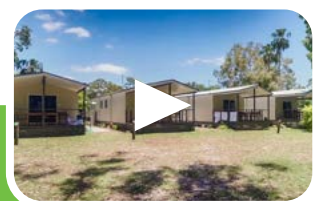
"There is only a certain amount of growth you can get out of renting blank grass to people ... for caravans only in the park it didn't always present nicely...."

Because you can earn more offering a cabin stay than charging for a vacant spot for people to park their caravan – offering tourist accommodation was going to help develop the park and it seemed a wise investment to ensure long term ROI" said Don.

Poona was an ideal location and Don wanted to improve the park, as it was situated in the ideal location just 30 kilometers south east of Maryborough with an iconic view straight through to the world's largest sand island.

Check out the video here

<https://assetcabins.com.au/gallery/videos/>



Top Takeaways

- Invest Invest Invest – think long term
- Point of Difference – attract your consumers
- Bite the bullet and do it
- What is the manageable number to start off with – Don recommends 4 cabins, then grow from there.



How did he pay it off?

The example shown is based on averages to help explain.

1. 4x cabins cost a total \$400,000
 2. Charge \$130/night
 3. On average, 4 customers will stay per week, for an average of 4 nights
 4. $[(\$130 \times 4 \text{ nights}) \times 4 \text{ customers} \times 52 \text{ weeks}] \times 4 \text{ years} = \$432,640$
- * These averages do not take account of peak seasons

This was exciting for Don; he was making profits and the tourist park industry was performing well. In 2020, the park was reaching capacity and he was needing more availability. Don was looking to grow his park even more as he realized demand was increasing. There were vacant spaces for cabins, however they didn't have waterfront views. Don knew how customers loved the waterfront views. He asked, "What am I going to do to make these cabins attractive? Because everybody wants a nice cabin to stay in?"

We were lucky enough to be approached by Don to help him out with these additional cabins!

The available grass space was large enough to fit 2x 3-bedroom cabins. Don decided to design the cabins with larger decks and BBQ areas to create larger family friendly areas. Since these cabins didn't have waterfront views, the larger decks and designated BBQ areas were a unique, yet attractive feature. The waterfront cabins remain to have higher occupancy & popularity.

When operating a tourist park it is important to be aware of the ongoing costs of cleaning, maintenance, appliances, linen wash, provision of food, furniture replacements. However it is expected that to operate a company you

will incur expenses. The key point is to recognise what earns you the greatest ROI:

Since operating the park 17 years ago the turnover doubled (one permanent caravan residency was moved out.) The park currently sits at 90% occupancy rates.

So if you're looking to start a park or are wanting to improve your park, identify the areas that are holding you back or could be improved to ensure you earn the best ROI.

What you need to create a great tourist park:

- ✓ **Cabins for everyone:** 1-2 bed small cabins | 2-3 bed large cabins | Disabled access cabins
- ✓ **Private:** Ensure there are family rooms and great lifestyle areas
- ✓ **Pet Friendly:** Visitors like to bring their furry friends – offer food, play areas and care required
- ✓ **Power:** Electricity & Internet is important so that customers can stay comfortably and conveniently
- ✓ **Store:** Have needs & essentials available for holidaymakers & travellers
- ✓ **Activities:** Create a fun environment & have the facilities to entertain your customer. E.g. pool, playgrounds, walks, outdoor gym, dog park, tennis court.



Improvements

Don considered and implemented improvements as the need arose for his park, identifying what you need to be aware of:

- Where is your park situated? Along the coast?
- Replace carpet with hard floors for easier maintenance
- Want to create a unique experience? Don is currently installing a café and bar on premises to complete that stay package.
- Be aware of facilities near your park & advertise
- People can visit council playgrounds or parks, see your park and visit the café ... reaching a new market helps you earn extra profit and raise awareness of your cabin availability.

Ask for your customers feedback!

Conduct feedback surveys to identify what your park needs to create a better experience.

Some examples of customer feedback:

- Everyone wants a BBQ on the deck / designated BBQ areas complete the package
- Customers appreciate the large fridge/storage space

Social Media

Don agreed that social media is a powerful form of marketing for his park. Visitors post pictures of where they're staying & share their experiences which boosts awareness and engages / attracts new viewers.

Viewers see the park through the consumers eyes, relate to the experiences of relaxation, fishing, family times

- this content is seen by communities of people
- sharing experiences people can relate to, adds emotional value and people will consider visiting the park.

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