



January 9, 2007

Everywhere the business traveller wants to be

In Australia, the serviced apartment industry accounts for 21 per cent of the total accommodation industry.

The sector is expected to experience further growth due to the increased awareness of the value proposition of serviced apartments as well as external factors affecting Australia's tourism industry as a whole.

In past years, the concept of a serviced apartment was not fully understood by the market. We are seeing a change in attitudes towards serviced apartments as the market understands the benefits of the product over a traditional hotel room.

Hotels normally cater for stays of one or two nights, whereas serviced apartments cater for guests staying three nights or more. IBIS World reports that typical hotels generate 48 per cent of accommodation revenues from the tourism market and 52 per cent from the corporate market. In comparison, the Quest group generates approximately 80 per cent of its revenues from the corporate market – a niche it has targeted with a focus on being everywhere the business traveller wants to be.

Travellers are now more aware of the brands within the serviced apartment industry, and their credibility, and are wary of independent operators offering a few apartments within a block of flats. The industry no longer needs to invest in communicating the message of the serviced apartment, but rather the differences between the brands.

The trend we are seeing now, which will continue to expand the market is the increase in product development, particularly in locations with only a recent demand for serviced apartments to meet the needs of corporate travellers. A contributing factor is that a number of organisations have begun expansion into regional areas, sometimes moving out of CBD areas in order to reduce costs. The project workers assisting with these transitions will now require extended stay accommodation.

We are also finding that in order for the industry to meet the ever increasing needs of the corporate traveller, operators are improving guest services and amenities with a focus on technology and communications. For example, all of our new properties offer broadband internet access and the latest entertainment equipment.

This improvement extends to the developments in client relationship building and booking processes. Quest has recently launched an online booking engine with the functionality to assign unique username and passwords to key corporate clients enabling them to access and book their negotiated rates live with instant confirmation.

Quest Serviced Apartments offer a comprehensive range of accommodation solutions across more than 100 properties throughout Australia, New Zealand and Fiji. For more information on Quest Serviced Apartments contact 1800 334 033 from Australia, 0800 944 400 from New Zealand or email qrc@questapartments.com.au

The serviced apartment industry is focused on service and the guests, and despite our technological advancements, we will never allow a system to replace the human interaction and personalised service that is the lifeblood of our business.

During the next 12 months, Quest will continue to deliver its commitment to servicing the corporate extended-stay travel market. One hundred and seventeen Quest Serviced Apartments are expected to be operating throughout Australasia by the middle of 2007 and there are plans for further expansion into regional and suburban areas to service our corporate travellers with new properties scheduled for Alice Springs, Sale (Vic), Sanctuary Lakes (Vic), Mascot (NSW), Ipswich and Gladstone in regional Queensland.

About Quest Serviced Apartments

Focused primarily on the business travel market with 80 per cent of its business coming from this important sector, Quest Serviced Apartments, Australasia's leading serviced apartment operator has developed its business around the needs of the business traveller.

With more than 100 properties throughout Australia, New Zealand and Fiji, Quest's strategy is focused on offering the best property on the best site in the best location, whether it be in CBD, regional or suburban areas to ensure it is everywhere the business traveller wants and needs to be.

Almost all Quest properties have been purpose built by Quest and 95 per cent operate as franchised businesses. One hundred and ten Quest Serviced Apartments are expected to be operating throughout Australasia by the end of 2006.

Quest's success was this year recognised by Business Review Weekly, listing Quest as one of Australia's 50 fastest growing franchisees and awarding it with 'Star Performer' for revenue growth and a 'Rapid Riser' for growth of properties.

Further, Quest was ranked as the fourth best franchise in Australia in terms of the resale value of its franchises with most resales exceeding a capital value more than 200 per cent of the original acquisition price. Quest was also a finalist in the PricewaterhouseCoopers 2006 Franchisor of the Year award supported by the Franchise Council of Australia.
