

**HD**      **HYATT RETURNS TO GODZONE**

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Catherine Harris gets the inside track on Auckland's five-star **Park** Hyatt **hotel**, a project that promises to set new standards in design and cost.

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**HOTEL** ACTION Developments on the **hotel** market include:

Singapore's Naumi Hospitality's **purchase** of the **Hotel** Grand Chancellor, Auckland Airport, at a price "above domestic investor expectations".

Hilton's **purchase** of the Kwarau **Hotel** in Queenstown, with the aim of rebranding it a "Double Tree" - one of its more affordable brands.

fubizblue Rental car **company** Jucy plans to build a 272-room "micro **hotel**" near Christchurch Airport.

Ramada is adding two new hotels in Queenstown and Christchurch to its chain, with another mooted for Rotorua.

Sofitel So boutique **hotel** to open in Auckland's former Reserve Bank building.

The proposed NDG **site** on Auckland's Elliot St is expected to host a Ritz-Carlton.

Wellington's Kingsgate **hotel** under contract to a Singaporean investor.

InterContinental will manage a 200-room Crowne Plaza in Christchurch by converting the old Forsyth Barr building.

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DESIGN PLANS for Auckland's newest luxury **hotel**, the **Park** Hyatt, are now under way.

The \$200 **million hotel**, proposed by **Chinese** developer Fu Wah, will lease a prime **site** on the waterfront edge of Auckland's Wynyard Quarter.

For Fu Wah, which owns the **Park** Hyatt building in Melbourne, the **hotel** is its first venture into New Zealand but quite possibly not its last, according to its president, Chiu Yung.

For Hyatt, it's back to the future after leaving Auckland in 2011. The chain ran the Hyatt Regency until the building's owners got caught up in the South Canterbury Finance collapse and it was **sold** to Accor.

Robert Dawson, Hyatt's Pacific area vice-president, said the brand was pleased to be returning to New Zealand and hinted more Hyatts could follow.

"Hopefully, we'll have some more coming behind it."

With well-travelled guests expecting an "experience" at their destinations, Dawson said the Auckland **hotel** would be unique.

"We don't copy, we don't have a standard format that we take from one to the other, so we try and adapt the **site** and we adapt the interiors to what we think reflects not only the need in that market, but the influences and culture of that market."

Design-wise, it would be light and airy and "there's definitely a very strong connection between the water and the building".

Public access would be encouraged, with three cutaways through the building offering access to the waterfront, bars, restaurants and an events area.

"It's really going to encourage people to walk around the waterfront . . . it's going to open the whole place up.

"It's not going to be an exclusive **hotel** purely for the people who are staying there."

Construction is due to start in November next year with completion scheduled for August 2017.

Auckland architect Pete Bossley, whose **firm** is co-designing the **hotel** with a Singaporean **firm**, said the Auckland Hyatt would reflect its surroundings. It would have flickers of its maritime environment, "not in the sense of trying to look like a boat but in the sense of being quite gutsy and industrial in the detailing".

Think concrete, brass and steel, with interior design by Conran & Partners in London.

"It's going to be beautifully detailed and rich in what it offers," Bossley said.

"The building has a large central space, an atrium that the public can walk through which is also used by guests and that has a large central cylindrical form which kind of relates symbolically to a central pou in a whare."

"And also the building is clad in a metaphorical kind of cloak, which is a sun screen as well, so it's a double skin building.

"These days it's getting more and more common to put a skin around a building, so the exterior skin helps protect the building from **solar** gain and makes the environmental control of the interior of the building more efficient."

Bossley said the **hotel** would add vitality to a **site** which was currently a bit of a "black hole".

"It'll complete the edge of the basin, and it'll be a lively thing to look at."

With record prices being paid for top hotels in Australia, Stephen Doyle, a **hotel** specialist with JLL, said it was no surprise investors were turning their gaze to New Zealand. However, historically New Zealand room rates had been low and the \$200m costs associated with the Hyatt would set a new benchmark.

Doyle said everyone wanted the project to succeed, but "there's certainly no market precedent for a **hotel** that has **sold** for \$1m a room".

The Hyatt project showed hotels were becoming a "mainstream investment category", viewed like **commercial** office space by investors, said Doyle. The \$200m **hotel** demonstrates that investors were prepared to place a high degree of confidence on the New Zealand market, he said.

Doyle said Hyatt's costs surpassed recent benchmarks, such as the Hilton **Hotel** in Auckland, which **sold** in 2012 for about \$50m, or \$300,000 a room. The Intercontinental Wellington **sold** in 2011 for a similar figure at \$215,000 per room.

Even in Australia, the five-star Sheraton on the **Park** in Sydney had **sold** recently for A\$463m (NZ\$500m) or more than A\$800,000 per room. Sydney's Four Seasons **Hotel** had **sold** for A\$340m, or A\$640,000 a room.

"The evidence in the market at the moment is that \$350,000 is probably the upper limit of where a five-star **hotel** sits within New Zealand unless it's been strata titled, or cut into smaller pieces or unless there are other facilities associated with it," Doyle said.

"It shows great confidence that New Zealand is moving on from its historic past . . . But at the moment it's really hard to see how those feasibilities stack up."

However, Bossley said the Hyatt's price tag was internationally not uncommon, and one the clients were comfortable with.

The Australian **hotel** market had been dominated by groups from Singapore and **Hong Kong** and **Chinese** investors had only become a major player over the past 18 months.

Dawson agreed many **hotel** companies were looking at New Zealand.

"It's just a question of if and when it stacks up. And so much of that is the market but also the location."

Auckland's flourishing **Chinese** tourism numbers were only one of many factors that **hotel** operators weighed up, he said.

"We look at Auckland in the long-term because we won't be open for three years, we look at a five, 10, 15-year window.

"So if there are spikes in the market, it just encourages us . . . but in reality we're looking at a much longer term goal than three years."

Dean Humphries of Colliers said last year most **hotel** investors had been local but this year the Singaporeans had been the major players, as Australia got more expensive.

"They love New Zealand, it's a very similar market to theirs, very transparent."

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