

The Sydney Morning Herald

SE **Commercial** realestate
HD **Budget grants lift tourism**
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Tourism Accommodation Australia has welcomed the Federal Government's handling of the tourism sector in the 2014 Budget, in particular the announcement of the new Tourism Demand Driver Infrastructure grants program with the States

The managing director of Tourism Accommodation Australia, Rodger Powell, said following the release of the Commission of Audit report, TAA called on the government to ignore the recommendations relating to tourism marketing and to increase net spending on tourism, because of its potential to boost export earnings and create sustainable jobs.

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"We are pleased the government has maintained Tourism Australia's resources, as they have demonstrated considerable success in growing the inbound market in recent years. We also welcome the allocation of additional funding for marketing efforts in Asian growth markets, with **Chinese** visitors expected to generate over \$13 billion in tourism revenue by 2020," Mr Powell said.

This comes as the Sofitel Wentworth Sydney, was **sold** to the Singaporean Frasers Centrepoint's, Frasers **property group**, for \$202.7 million.

Agents say the deal was the start of the next wave of Asian investors into the **hotel** and tourism sector.

The **sale**, which it is said will be used as a seed asset for a new real **estate** investment trust, will augur well for the **sale** of the Sheraton on the **Park** that was recently put on the market. Located in Elizabeth Street, opposite Hyde **Park**, the **hotel** is worth about \$250 million.

The seller of the two hotels is LaSalle Investment Management, through McVay Real **Estate** and Craig Collins of JLL's Hotels and Hospitality **Group**. Accor Asia will remain as the manager of the Sofitel Wentworth.

Wayne Bunz, senior director of CBRE Hotels Australia, said he is in due diligence for about \$70 million of hotels in Sydney.

"Hotels offer a solid, long-term yield and these investors are long term holders of assets," he said.

"At the end of the manager's lease the **hotel** owners can then look at redeveloping the properties into apartments."

Across Sydney there has been a rash of big ticket **hotel** sales including the Four Seasons Sydney **Hotel**, to Korea's Mirae Asset Global Investments for a reported \$340 million.

As well, the NSW government is selling the former "Sandstone" Department of Lands building and Department of Education building on Bridge Street to a **hotel** or tourism style operator.

In the past six months more than \$150 million has also changed hands in Melbourne hotels, which experts said was an indication of a busy year ahead.

In the largest deal, the private **Chinese** investor Fu Wah International **Group** has made its first significant foray into local **property** with the **purchase** of Melbourne's landmark **Park Hyatt hotel**.

It is thought the price paid was about \$135 million, but the agents and buyer declined to comment.

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